

**FBIS**

# DAILY REPORT

## CONTENTS

*China*

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## PRC INTERNATIONAL AFFAIRS

## UNITED STATES

U.S. Trade Commission Discusses Mushroom Imports	B 1
Wang Bingnan Meets Vice President Bush	B 1
U.S. Enterprises Said To Monopolize Publishing [RENMIN RIBAO 20 Sep]	B 1
Liu Lantao Meets Visiting Chinese-American	B 2

## SOVIET UNION

USSR Said To Have Six Nuclear Tests in a Month	C 1
Soviet Runners Arrive for Beijing Marathon	C 1

## NORTHEAST ASIA

Further Materials on Kim Il-song's Visit	D 1
Kim, Hu Tour Museum	D 1
Kim, Hu Leave Xian	D 1
Kim, Hu Return to Beijing	D 1
RENMIN RIBAO Discusses DPRK's Cadre Training [21 Sep]	D 1
Long-Term Trade Agreement Signed With Japan	D 3
Chen Muhua, Zhang Jingfu Meet Japanese Group	D 3
Bo Yibo Meets Japanese Economic Delegation	D 3

## SOUTHEAST ASIA &amp; PACIFIC

More Vietnamese Said To Emigrate to Kampuchea	F 1
Sithi Interviewed on Support for CGDK	E 1
Chen Muhua, New Zealand Officials View Trade Ties	E 1

## SOUTH ASIA

Group Departs for Sri Lanka Population Meeting	F 1
PRC-Aided Project Completed in Sri Lanka	F 1

## WESTERN EUROPE

Further Materials on Margaret Thatcher's Visit	G 1
Meets With Zhao on Hong Kong	G 1
Visits Beijing Schools	G 1
Discusses Hong Kong With Deng	G 1
Meets Deng Yingchao	G 1
AFP: Thatcher Says PRC, USSR To Open Talks	G 2
RENMIN RIBAO Views Schmidt Government Collapse [24 Sep]	G 2
Swedish Delegation Gives Banquet in Beijing	G 4
Bo Yibo Meets Europe Cooperation Center Official	G 4

## MIDDLE EAST &amp; AFRICA

Amin al-Jumayyil Sworn In as Lebanese President	I 1
Ye Jianying Sends Greetings	I 1
U.S. Attitude Toward Beirut Massacre Examined	I 1
[RENMIN RIBAO 23 Sep]	
Bush Asks Israel To Recognize Palestinian Rights	I 2
PLO's 'Arafat Meets PRC Ambassador to Syria	I 3
Women's Group Message Sent to Palestinian Women	I 3

## WESTERN HEMISPHERE

Mexico's Economic Difficulties Examined	J 1
Brazilian Envoy Presents Credentials to Ulanhu	J 2
Chinese Residents in Brazil Fete Rong Yiren	J 2

## PRC NATIONAL AFFAIRS

RENMIN RIBAO Urges Study of Congress Documents [23 Sep]	K 1
Privately Run Industry Seen as 'Indispensable'	K 3
[RENMIN RIBAO 22 Sep]	
CPPCC Standing Committee 20th Meeting Opens	K 4
More Foreign Leaders Send Congratulations to Hu	K 4
Algerian, Zimbabwe Leaders	K 4
French Communist Party (M-L)	K 4
PLA Navy Publicizes Party Congress Documents	K 4
Early Rice Collection, Quotas Exceeded	K 5
Science Association Outlines Future Tasks	K 5
Yuan Baohua Speaks at Metrology Symposium	K 6
Hu Qiaomu Sends Wreath to Memorial Meeting [Shanghai WEN HUI BAO 15 Sep]	K 7
RENMIN RIBAO on Building Socialist Democracy [14 Sep]	K 7

## PRC REGIONAL AFFAIRS

## CENTRAL-SOUTH REGION

Ren Zhongyi Reports on Congress to Guangdong CPC	P 1
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## NORTH REGION

Nei Monggol's Zhou Hui at Party Meeting	R 1
Tianjin's Chen Weida Visits Bicycle Plant	R 2

## NORTHEAST REGION

Jilin's Qiang Xiaochu Relays Congress' Guidelines	S 1
Jilin's Qiang Xiaochu Attends Sports Meet	S 2

## NORTHWEST REGION

Qinghai's Liang Buting Attends Commendation Rally	T 1
Xinjiang CPC Meeting Delegates Discuss Congress	T 1
Briefs: Xinjiang Textile Industry Develops; Xinjiang Peasants' Income Increases	T 2

## HONG KONG MEDIA ON CHINA

Coverage of PRC, Thatcher Talks on Hong Kong	W	1
Deng to 'Take Over' Talks [HONG KONG STANDARD 24 Sep]	W	1
Liao Chengzhi Absent From Talks [SOUTH CHINA MORNING POST 24 Sep]	W	2
Paper Assesses Talks [SOUTH CHINA MORNING POST 24 Sep]	W	2
Further Media Discussion of 1977 Issue	W	3
PAI HSING Journal [No 32, 16 Sep]	W	3
HONG KONG STANDARD [24 Sep]	W	9

U.S. TRADE COMMISSION DISCUSSES MUSHROOM IMPORTS

OW231445 Beijing XINHUA in English 1253 GMT 23 Sep 82

[Text] Washington, September 22 (XINHUA) -- Two members of the U.S. International Trade Commission (I.T.C.) held that canned mushroom imports from China have not disrupted in any way the American market and there is no need for restrictions.

The other two members of the commission urged the administration to impose a maximum quota of 21 million pounds on mushrooms imported from China each year for three years.

The commission decided to present the two different recommendations to President Reagan for his final decision required within 60 days.

The American Mushroom Institute filed a petition on June 30 saying that mushroom imports from China have disrupted the U.S. domestic market and restrictions should be imposed. The I.T.C. held hearings on August 24 and September 21.

After public hearings, the I.T.C. took a final vote today without a clear decision on the American Mushroom Institute's petition.

Last year, China exported 27.5 million pounds of mushrooms to the United States, and the American Mushroom Institute asked for a maximum quota of 5 million pounds a year.

Commenting on today's I.T.C. decision, Bart S. Fisher, counsel for the U.S. Nature's Farm Products, said that imports of mushrooms are not the problem confronting the domestic canned-mushroom industry. "The recession, the shift in demand from canned to fresh mushrooms, the price impact of prior relief, and the botulism problems experienced by the domestic industry -- these have been the causes of the domestic industry's distress -- not imports", he stressed.

Fisher urged the administration to make every effort to assure that the stronger trade links between the United States and China are not eroded by the I.T.C. decision.

WANG BINGNAN MEETS VICE PRESIDENT BUSH

OW240300 Beijing XINHUA in English 0241 GMT 24 Sep 82

[Text] Washington, September 23 (XINHUA) -- U.S. Vice President George Bush met today at the White House with Wang Bingnan, president of the Chinese People's Association for Friendship With Foreign Countries. They had a frank and friendly conversation.

Wang Bingnan, who is here heading a six-member Chinese delegation, was received yesterday by Secretary of State George Shultz.

The Chinese visitor today also met with Zbigniew Brzezinski, former assistant to the president for national security affairs.

The Chinese delegation arrived here Monday as guest of Georgetown University for the unveiling of a commemorative bust of Dr. Sun Yat-sen at the international cultural center of the university.

U.S. ENTERPRISES SAID TO MONOPOLIZE PUBLISHING

HK231014 Beijing RENMIN RIBAO in Chinese 20 Sep 82 p 8

[Article by Shen Ao [3947 1159]: "A Grand Meeting of American Writers"]

[Text] From 9 to 11 October last year, a big meeting of American writers was held in New York. Attending the meeting were 3,000 novelists, scriptwriters, poets, commentators and editors. This was the second grand meeting of American writers since 1930.

The problem of greatest concern to everyone was that in recent years many industrial monopoly enterprises, such as the AT&T., Xerox Corporation, Gulf & Western and so forth, have swallowed up some publishing houses, bringing into being so-called 'literary industrial complexes.' Regardless of the literary value of works, they have made it their sole aim to make money by publishing large numbers of low quality works. The fat profits reaped in 1 year by the book and magazine subsidiaries of the Xerox Corporation alone reached an amount exceeding the combined total of the U.S. publishing industry. While the bourgeois monopolies are making a fast buck, American writers have been leading an increasingly hard life. At present, American writers earn an average annual income of only \$5,000 from their work (an amount not enough to maintain the minimum standard of living in the United States). Only 10 percent of writers have an annual income exceeding \$45,000. Novelist Jose Yglesias indignantly said: "We work hard and lead a miserable life only to keep a bunch of bloody fools well fed. Let's fight like workers!"

To improve writers' status, the meeting approved by an overwhelming vote the establishment of a national writers' organization which is of the same nature as a trade union and performs the same tasks. It will conduct negotiations with publishers on behalf of writers and protect the latter's rights. Female writer (Tong-ni motni-xun) [3282 1441 5459 1441 6676] appealed to writers to unite and not to fight battles alone. Poet (Mei-li-de-er xiu-er) [2734 6849 1795 1422 0208 1422] said: "Our unity packs greater force than an atomic bomb."

Scriptwriter Arthur Miller and others expressed dissatisfaction with the control that certain media, such as THE NEW YORK TIMES, have over the fate of all plays and books. The writers' sense of morality was stressed in some speeches made at the meeting. Writers should not write in a slipshod way for the sake of money. At the meeting, a female writer condemned (A-wei-li) [7093 1218 6849] Colman's novel "Old Neighbors" for its naked pornography and its distortion of the workers' lives.

#### LIU LANTAO MEETS VISITING CHINESE-AMERICAN

OW231549 Beijing XINHUA in English 1520 GMT 23 Sep 82

[Text] Beijing, September 23 (XINHUA) -- Liu Lantao, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference, met here this afternoon with En Cheng Ning, who returned from the United States to visit his home country.

The 80-year-old En Cheng Ning was the president of Northeast China University, general manager of a timber company in Taiwan and headmaster of St. Stierre's College in Hong Kong. An American citizen, En Cheng Ning now lives in the United States. This is his fourth visit to the motherland since 1949. The late premier Zhou Enlai received him.

After the meeting, Liu Lantao gave a dinner in honor of En Cheng Ning.

Present were leading members of related departments Wang Feng, Lu Zhencao, Ping Jiesan and Peng Youjin, and En Cheng Ning's relatives and friends.

En Cheng Ning arrived here September 1. The following day, Ping Jiesan, adviser to the United Front Work Department of the Central Committee of the Chinese Communist Party, met with and feted him.

During his stay in China, En Cheng Ning visited Xian, Chongqing, Chengdu and Shanghai.

USSR SAID TO HAVE SIX NUCLEAR TESTS IN A MONTH

OW211926 Beijing XINHUA in English 1903 GMT 21 Sep 82

[Text] Stockholm, September 21 (XINHUA) -- The Soviet Union today conducted an underground nuclear test at its Semipalatinsk site, the Swedish Defense Institute announced.

The test was detected at 5 0500 by the Hagfors observatory of the institute. The tremor was recorded at 5.5 on the Richter scale, which in practice measures up to nine.

This is the sixth Soviet nuclear test within a month, according to records of the observatory.

SOVIET RUNNERS ARRIVE FOR BEIJING MARATHON

OW240351 Beijing in Russian to the USSR 1800 GMT 23 Sep 82

[Text] A team of Soviet marathon runners headed by (Vladimir Avilov) arrived by plane in Beijing at noon on 23 September. The team includes coach (Aleksey Podvigov) and marathon runners (Tsekenkul Dzumanazarov), (Anatoliy Aryukov) and (Yuriy Peshkov). They will take part in the 1982 Beijing International Marathon on 26 September.

Thirty-eight athletes from Belgium, Canada, France, the United Kingdom, the Netherlands, Hungary, Italy, Japan, Kenya, Mexico, Nepal, Poland, the DPRK, Sweden, Tanzania, the United States and Hong Kong will also take part in the Marathon together with 195 PRC athletes.

This is the second Beijing International Marathon after the marathon held last year. The International Track and Field Federation has already confirmed that the Beijing International Marathon is becoming a traditional annual event.

FURTHER MATERIALS ON KIM IL-SONG'S VISIT

## Kim, Hu Tour Museum

OW231303 Beijing XINHUA in English 1246 GMT 23 Sep 82

[Text] Xian September 23 (XINHUA) -- President Kim Il-song, accompanied by Comrades Hu Yaobang and Ma Wenrui, visited the museum displaying hundreds of life-size terracotta horses and armored warriors excavated near the tomb of Qin Shi Huang, China's first emperor, in Lintong County this morning.

Calling those exhibits a historical wonder, President Kim Il-song said they are a demonstration of hard but successful work of Chinese archaeologists. He also observed with great interest at large bronze figurines, chariots and horses excavated in 1980 at a site west of the tomb of Qin Shi Huang.

Before leaving, President Kim Il-song signed his name on the visitor's book of the museum.

On the way back, the Korean guests stopped for a short rest at Huaqing hot spring, where President Kim Il-song and Comrade Hu Yaobang had their photograph taken.

## Kim, Hu Leave Xian

HK240816 Xian Shaanxi Provincial Service in Mandarin 0500 GMT 24 Sep 82

[Text] Having successfully completed his visit to Xian, President Kim Il-song, accompanied by General Secretary Hu Yaobang, left this city last night. Among those who saw President Kim Il-song off were Ma Wenrui, first secretary of the CPC in Shaanxi Province; Governor Yu Mingtao; Zhang Ze, secretary of the standing committee; and other leading cadres from the province, municipality, party and army units Jiang Yi, Lu Jiangren, Chang Lifu, Chen Yanfang, (Zhen Hungdao), Li Lianei, He Chenghua, (Zhang Tiemi), (Fan Peishan) and (Wei Minzhong).

Ma Wenrui, Yu Mingtao, Zhang Ze and other leading cadres shook hands with President Kim Il-song and said goodbye to him. Children presented flowers to him. More than 2,000 people and literary and art workers and children waved bouquets, colored ribbons and balloons and performed dances. More than 200,000 people lined both sides of the streets, braving the rain, to see President Kim Il-song and other Korean guests off.

## Kim, Hu Return to Beijing

OW240817 Beijing XINHUA in English 0815 GMT 24 Sep 82

[Text] Beijing, September 24 (XINHUA) -- Kim Il-song, general secretary of the Central Committee of the Korean Workers Party and president of the Democratic People's Republic of Korea, returned here by special train this afternoon from a tour of Chengdu and Xian.

The Korean president was accompanied by Hu Yaobang, general secretary of the Central Committee of the Communist Party of China.

When the distinguished guests left Xian yesterday afternoon, they were seen off at the railway station by local party and government leaders including Ma Wenrui and Yu Mingtao.

RENMIN RIBAO DISCUSSES DPRK'S CADRE TRAINING

HK240646 Beijing RENMIN RIBAO in Chinese 21 Sep 82 p 6

[Newsletter from DPRK by RENMIN RIBAO reporter Zhou Bizhong [0719 1801 1813]: "A Filling Station on the Road of Construction -- The DPRK's Cadre Training System"]

[Text] In the Democratic People's Republic of Korea, every cadre, no matter whether he is a veteran cadre having participated in the revolution for several decades or a young cadre recently graduated from university, no matter whether he is a leading cadre or a common one, should join a regular training course.

Korean comrades think that one will inevitably face numerous unexpected new situations and problems during the long course of socialist construction. Only by proceeding with his study and raising his ideological level or professional capacity will a cadre, as a leader of the masses of people, be able to fulfill his duty with flying colors. They animatedly describe the cadres' regular training course system as a filling station on the road of construction.

There is the Central Party School, the (Golden Star) Political University and the People's Economic University run by the Central Committee, and there are communist universities run by various provinces as well as party schools run by various counties (cities) for the sake of training cadres according to rank and position. The People's Economic University is devoted to training chairmen from county rural economic committees, directors and deputy directors, managers and general engineers from industrial and mining enterprises at the second level and above, chairmen of the county (city) people's committees, provincial bureau directors, as well as administrative and economic cadres from bureaus of the Central Committee. The Central Party School and the (Golden Star) Political University are devoted to training party administrative cadres at levels similar to those mentioned above and cadres from mass organizations. Provincial communist universities are devoted to training chairmen from the rural cooperative farms, workshop heads from enterprises at the second level and section chiefs from county (city) people's committees. County (city) party schools are devoted to training work team leaders from factories or rural areas and common cadres from county (city) people's committees. Every cadre is to join a training course once every 4 or 5 years, with each term lasting about 6 months or 1 year.

There are two purposes for a cadre to join the training course: One is to strengthen his party spirit and the other is to improve his professional skill. In regard to strengthening his party spirit, it will take 10-15 days for mainly summarizing his thinking, and then he will integrate study with his state of mind. Before leaving the school, he will recall the past and contrast it with the present and see whether he has made any improvement in some aspects -- if not, he will proceed to improve it later. Professional study is suited to the nature of his job. Take economic cadres joining a training course in the People's Economic University for example: The main subjects which they are to take include theory, methodology and model studies. The course comprises five steps: 1. To hear lectures. 2. To hold discussions. 3. To do exercises. It will take 3-5 days to study in the school's laboratory or in a workshop of a factory, according to what they have learned in the school. 4. To practice in the field. A cadre will spend 1 or 2 months practicing as the director in a factory after the study period is over. 5. He must try to summarize his study, prepare a report and draft a speech. In the whole undertaking, stress is put on the third and fourth steps. Finally, an exam will be given and the results of training will be evaluated and will be kept on file as a record for checking on cadres. After a training course, one goes back to his original unit and easily keeps up with the new developments he will face in his work.

Since 1969 a 1-month training course system in which every cadre must take part annually has been implemented. Due to time restraints, only one special subject is to be studied. Based on everyone's situation, be it a political or a professional subject. Materials for study are based on the unified outline compiled by the schools under the Central Committee and distributed to communist universities in all provinces and party schools in all counties (cities).

During the training course, all cadres must strictly abide by school regulations. No one is allowed to make any contacts concerning his job with his original unit or to receive visitors. Those who are living in the city are only allowed to go home once a month. But they are given special attention in regard to their livelihood. Apart from wages regularly paid, boarding and stationery for study purposes are free.

To join the training course has become a good general desire of the broad masses of cadres in Korea.

LONG-TERM TRADE AGREEMENT SIGNED WITH JAPAN

OW231339 Beijing XINHUA in English 1236 GMT 23 Sep 82

[Text] Beijing, September 23 (XINHUA) -- The fourth meeting on the China-Japan long-term trade agreement was held here this morning at the Great Hall of the People. A summary of the talks was signed at the meeting after friendly consultations which resulted in agreement on the export of Chinese oil and coal to Japan and of Japanese technology and equipment to China on the basis of equality and mutual benefit, trade officials said.

According to the text of the summary, both sides agreed that China will export eight to 8.6 million tons of crude oil to Japan annually between 1983 and 1985, and it will export 4.5 million tons of coal to Japan in 1983, six million tons in 1984, and seven to eight million tons in 1985 according to the needs and possibilities of the two sides. They also agreed that as new progress is made in China's economic readjustment and foreign trade, China will make every possible effort to import technology and equipment from Japan.

Signing the summary were Liu Xiwen, chairman of the Chinese Committee for China-Japan Long-Term Trade Agreement, Toshio Doko, chairman of the Japanese Committee for Japan-China Long-Term Trade Agreement

CHEN MUHUA, ZHANG JINGFU MEET JAPANESE GROUP

OW231413 Beijing XINHUA in English 1249 GMT 23 Sep 82

[Text] Beijing, September 23 (XINHUA) -- Chen Muhua, Chinese state councillor and minister of foreign economic relations and trade, and Zhang Jingfu, state councillor and minister of the State Economic Commission, met today on separate occasions with a delegation from the Japan-China Association on Economy and Trade.

The delegation is led by Toshio Doko, with Yoshihiro Inayama as its adviser.

During the meetings, the hosts and guests expressed satisfaction with the smooth progress in bilateral long-term trade since the normalization of Sino-Japanese diplomatic relations 10 years ago. They hoped to further economic and trade relations between the two countries on the basis of equality and mutual benefit.

At noon, Chen Muhua gave a banquet for the delegation on the occasion of the signing of a summary of the talks on the China-Japan Long-Term Trade Agreement.

BO YIBO MEETS JAPANESE ECONOMIC DELEGATION

OW222124 Beijing XINHUA in English 1529 GMT 22 Sep 82

[Text] Beijing, September 22 (XINHUA) -- State Councillor Bo Yibo met and had a friendly conversation here this afternoon with a delegation from the research committee of the Japan-China Association on Economy and Trade.

Advisor to the delegation is Masao Sakifaka, chairman of the Japan international energy policy forum, and head of the delegation is Giichi Miyazaki, director of the Economics Institute of University of Tokyo.

Ma Hong, president of the Chinese Academy of Social Sciences, was present.

MORE VIETNAMESE SAID TO EMIGRATE TO KAMPUCHEA

OW230757 Beijing XINHUA in English 0710 GMT 23 Sep 82

[Text] Beijing, September 23 (XINHUA) -- The Vietnamese authorities have continued to emigrate large numbers of Vietnamese to Kampuchea to materialize their "Vietnamization" policy, according to a report of radio Democratic Kampuchea.

In the past two months, more than 1,000 Vietnamese families settled down in Peam Ro district alone of Prey Veng Province. Vietnamese emigrants now account for at least 20 percent of the population of Prey and Svay Rieng Provinces.

An even higher percentage is registered in Neak Leung area along the Mekong River in Prey Veng province. Vietnamese emigrants now make up about 80 percent of the population there, while Kampucheans have become the minority.

SITTHI INTERVIEWED ON SUPPORT FOR CCDK

OW201926 Beijing XINHUA in English 1850 GMT 20 Sep 82

[Text] Bangkok, September 20 (XINHUA) -- Thai Foreign Minister Sitthi Sawetsila told XINHUA here late this evening that the Coalition Government of Democratic Kampuchea had been gaining support from the world community and it was expected to get more votes at the forthcoming U.N. General Assembly.

He made the remark at the airport before his departure for New York to attend the U.N. General Assembly.

He said that the ASEAN countries would stick to the U.N. resolutions calling for the complete withdrawal of Vietnamese occupation troops from Kampuchea. Tactically, the ASEAN strategy at this year's General Assembly would be the same as that of last year and there were only some minor changes, he added.

Asked about the situation along the Thai-Kampuchea border, he said that "nothing has changed" and actually Vietnam might do something during the General Assembly in an attempt to change the U.N. voting. "But I think they are miscalculating the situation," he added.

Referring to more refugees from Kampuchea to Thailand, Foreign Minister Sitthi said the refugee problem was a great concern of Thailand. He disclosed that he was going to meet some American officials to discuss the problem and some Thai senior officials would also have talks with their counterparts in the other countries.

CHEN MUHUA, NEW ZEALAND OFFICIAL VIEW TRADE TIES

OW222140 Beijing XINHUA in English 1514 GMT 22 Sep 82

[Text] Beijing, September 22 (XINHUA) -- Chen Muhua, Chinese state councillor and minister of economic relations and trade, met here this afternoon with a trade delegation from New Zealand led by J.W.H. Clark, secretary of the Department of Trade and Industry.

The delegation arrived here September 20 to attend the 7th session of the Joint Trade Committee between China and New Zealand. During the meeting the two sides exchanged views on the development of economic and trade relations between the two countries.

GROUP DEPARTS FOR SRI LANKA POPULATION MEETING

OW171658 Beijing XINHUA in English 1639 GMT 17 Sep 82

[Text] Beijing, September 17 (XINHUA) -- A Chinese Government delegation led by Qian Xinzong, minister in charge of the State Family Planning Commission and adviser to the Ministry of Public Health, left here today for Sri Lanka to attend the third population conference for Asia and the Pacific to be held in Colombo from September 20 through September 29. After the meeting Qian Xinzong will lead a medical delegation to visit Sri Lanka and Malaysia.

PRC-AIDED PROJECT COMPLETED IN SRI LANKA

OW211008 Beijing XINHUA in English 0709 GMT 21 Sep 82

[Text] Colombo, September 20 (XINHUA) -- Sri Lanka's Gin Ganga River regulation project at Indigasketiy in Baddegama in the southern province was opened by President J.R. Jayawardene at a ceremony today.

Construction of the project to control Gin Ganga River floods began in 1976 with Chinese aid under protocol to the agreement on economic and technical cooperation signed between the two countries in 1974.

Speaking at the ceremony, President Jayawardene warmly praised the cooperation and friendship between Sri Lanka and China. He also thanked the government and the technicians of China on behalf of his government and people.

A Chinese Government delegation led by Zheng Tuobin, vice-minister of foreign economic relations and trade, and Chinese ambassador to Sri Lanka Gao E were present. Zheng Tuobin also spoke at the ceremony.

The entire project consists of over 170 items and covers an area of 200 kilometres on both banks of the river. Among the main items built are 74 bunds, 10 pumping stations, a switch centre, 21 drainage channels totalling of 33.7 kilometres, eight highway bridges and 36.6 kilometres of 33 kv. transmission line.

In the past, constant floods of the river brought enormous losses of life and property to the country. With the completion of the project, it will be basically put under control and greatly benefit Sri Lanka's national economic development and the livelihood of the people.

FURTHER MATERIALS ON MARGARET THATCHER'S VISIT

## Meets With Zhao on Hong Kong

OW231214 Beijing XINHUA in English 1207 GMT 23 Sep 82

[Text] Beijing, September 23 (XINHUA) -- Zhao Ziyang, premier of the State Council, continued talks with British Prime Minister Margaret Thatcher in the Great Hall of the People here this morning.

The two sides began discussions on Hong Kong today in a friendly atmosphere. The talks were useful. They will be continued tomorrow.

They also exchanged views on the development of economic and technical cooperation, and trade between China and Britain and other bilateral relations.

## Visits Beijing Schools

OW231337 Beijing XINHUA in English 1310 GMT 23 Sep 82

[Text] Beijing, September 23 (XINHUA) -- British Prime Minister Margaret Thatcher and her party visited the Central Conservatory of Music and the Central Academy of Fine Arts here this afternoon. She was warmly welcomed by leaders, teachers and students of the two schools.

Mr. Denis Thatcher, after touring the Great Wall this morning, joined Mrs. Thatcher on the visit. They also viewed a book exhibition here run by the British council.

Accompanying the distinguished guests were Chinese Vice-Minister of Culture Zhou Weizhi and British Ambassador to China Sir Percy Cradock.

## Discusses Hong Kong With Deng

OW240813 Beijing XINHUA in English 0753 GMT 24 Sep 82

[Text] Beijing, September 24 (XINHUA) -- Deng Xiaoping met with British Prime Minister Margaret Thatcher at the Great Hall of the People here this morning.

Today the two leaders of the two countries held far-reaching talks in a friendly atmosphere on the future of Hong Kong. Both leaders made clear their respective positions on the subject. They agreed to enter talks through diplomatic channels following the visit with the common aim of maintaining the stability and prosperity of Hong Kong.

The Chinese Government's position on the recovery of the sovereignty of the whole region of Hong Kong is unequivocal and known to all.

Present at the meeting were Huang Hua, Chinese state councillor and foreign minister; Zhang Wenjin, vice-minister of foreign affairs; and Ke Hua, Chinese ambassador to the United Kingdom.

Also present were Sir Edward Youde, governor of Hong Kong; F.E.R. Butler, principal private secretary of the prime minister; and Sir Percy Cradock, British ambassador to China.

## Meets Deng Yingchao

OW240455 Beijing Domestic Service in Mandarin 0400 GMT 24 Sep 82

[Text] Deng Yingchao, vice chairman of the NPC Standing Committee, this morning met with Mrs Margaret Thatcher, the first female prime minister in British political history.

Deng Yingchao said to Mrs Thatcher: As a woman, I am very pleased to meet you. Your current visit will certainly contribute to strengthening the friendship between the Chinese and British people.

Mrs Thatcher replied: That is exactly the purpose of my visit. I am very happy to be able to visit China in my capacity as the first British leader to do so.

Touching on relations between China and Great Britain, Deng Yingchao said that the two countries should treasure their past relations, develop their existing friendship, expand their exchanges and learn from each other. She wished the distinguished British guests a complete success in their visit. Mrs Thatcher said that she and members of her party are striving to make their visit a success.

The British prime minister presented a bundle of roses to Deng Yingchao to express her best wishes.

AFP: THATCHER SAYS PRC: USSR TO OPEN TALKS

OW241121 Hong Kong AFP in English 1114 GMT 24 Sep 82

[Text] Beijing, Sep. 24 (AFP) -- China and the Soviet Union will open talks next month, British Prime Minister Margaret Thatcher said here today after discussions with Chinese leaders.

Mrs. Thatcher, at a news conference, gave no details of the projected Sino-Soviet discussions, but said she did not expect any change in China's "fundamental strategy" toward the Soviet Union.

RENMIN RIBAO VIEWS SCHMIDT GOVERNMENT COLLAPSE

HK220853 Beijing RENMIN RIBAO in Chinese 19 Sep 82 p 6

[News Analysis by Zhang Yunwen [1728 0336 2429]: "Why Has Schmidt's Government Collapsed?]

[Text] When four ministers of the Free Democratic Party, which is one of the two ruling parties of West Germany, suddenly resigned, the coalition government formed by the Social Democratic Party and the Free Democratic Party, which has ruled the country for 13 years, was forced to collapse on 17 September.

Recently, the political situation in West Germany has suffered from serious turbulence, the contradiction between the two ruling parties is becoming more and more acute, and the split in the administration coalition has long been an inevitable outcome. However, the quick collapse of the government was still interpreted as beyond all expectation.

The contradiction and dispute between the ruling Social Democratic Party and Free Democratic Party have been in evidence for a long time. Since the two parties respectively represent different interests, they have great differences of opinion on some problems concerning economic policies, such as how to extricate the government from its economic predicament, how to solve the unemployment problem, how to improve the financial balance and so on. In the last few months, the two parties' dispute over the 1982 budget has become so fierce that they were about to break with each other. And on the 1983 budget, they oppose each other even more strongly. Although both sides reached an agreement in July after bargaining, a huge gap of DM 10 billion emerged in the budget 2 months later. Thus, there was another open dispute over the problem of how to compensate for budget deficits. The Social Democratic Party favored an increase in loans and taxes, while the Free Democratic Party advocated cutbacks in spending and public welfare. Neither party would budge from its original position. Recently, when revealing his intention to resign in a speech, Otto Lambsdorff, economic minister of the Federal Republic and Free Democratic Party member, said that the Free Democratic Party would go its own way if the issue could not be settled. According to the mass media in West Germany, this shows that the Free Democratic Party would make up its mind to break with the Social Democratic Party and would turn to ally with the opposition party.

The Social Democratic Party was very "annoyed" at this, and Schmidt even openly criticized the Free Democratic Party at Cabinet meetings.

On 9 September, when presenting the state of the union message to the Bundestag, Schmidt challenged his ruling partners, declaring that those ministers of the Free Democratic Party who disagreed with his policies might pull out of the government. He even furiously said that if the Free Democratic Party "wanted to change the government, they might openly speak out on this."

Disregarding conventional procedure of the Cabinet, Otto Lambsdorff, economics minister of the Free Democratic Party, published on 12 September the memorandum on economy he submitted to Chancellor Schmidt. He criticized the government's economic policy, demanding drastic cutbacks in social welfare. It is these successive new conflicts that have stepped up the split of the ruling coalition.

With a majority of 45 seats more than its rival won in the 1980 election, the Social Democratic Party organized a coalition government with the Free Democratic Party. However, the party's ruling status has constantly weakened in less than 2 years. This is the consequence of many factors. But, the basic factor is the long-standing economic depression of West Germany, a predicament the government can hardly extricate itself from.

Since the first oil crisis in the 1970's, the West German economy has slowed in its growth rate and has even gradually begun to decline. In 1981 the GNP decreased by 0.3 percent over 1980 and unemployment increased sharply. By August this year, unemployment reached 1.8 million, which is the highest unemployment rate recorded in 33 years. The Federal Labor Department predicted that by the end of this year, unemployment will exceed 2 million, an increase of more than 100 percent over 1980. Therefore, unemployment has become the number one problem in the West German economy, which arouses strong discontent among the broad masses of people. Furthermore, starting from the mid-1970's, the financial deficit has been increasing by a big margin and reached DM 39 billion last year. And since the government tried to compensate for the tremendous deficits by means of loans, the accumulative national debt amounted to DM 532 billion by late 1980, equivalent to about 30 percent of the GNP. West German economics circles see no indication of economic recovery in West Germany; and people are losing confidence in the government's ability to extricate itself from its economic predicament.

The deterioration of the economy has constantly deepened the contradiction between the Social Democratic Party and the Free Democratic Party. At the same time, the friction between different factions within the Social Democratic Party is also being aggravated. Chancellor Schmidt is now facing a challenge from the "leftwing" of the party which, strongly opposing Schmidt's resolute attitude in implementing NATO's dual decision on arms replenishment, has taken actions against the government.

The continuous economic depression and the deepening of the contradictions inside and outside the party has made the ruling party's prestige decline drastically. The Social Democratic party was defeated in a series of local and state council elections and its members have quit the party one after another. However, the opposition party, the Christian Democratic Union is growing day after day -- the number of its members exceeded 1 million by the first half of this year, 10 percent more than that of the Social Democratic Party. Now the opposition party is ruling in West Berlin and 5 out of 10 states. A recent public opinion poll showed that if the election was held at that time, the opposition party would gain 53.7 percent of the votes, the Social Democratic Party 31.4 percent and the Free Democratic Party 5.1 percent. The Free Democratic Party really worried that if it continued to ally with the Social Democratic Party it would inevitably lose the support of the public as long as the latter's prestige was declining. Therefore, the party decided to change its strategy. The Free Democratic Party has already publicly declared that it would instead ally with the Christian Democratic Union in the election of Hesse Land to be held on 26 September.

The mass media view this as a signal that the Free Democratic Party will change partners throughout the country.

Evidently progression of the situation has been very unfavorable to the Social Democratic Party; and this has at last forced the party to announce the collapse of the government. At the national congress of the Social Democratic Party held in April this year, Chancellor Schmidt pointed out that 1982 would be a "decisive year for the destiny" of the ruling coalition. Unfortunately, the developments in the situation have proved his prediction correct.

SWEDISH DELEGATION GIVES BANQUET IN BEIJING

OW182016 Beijing XINHUA in English 1506 GMT 18 Sep 82

[Text] Beijing, September 18 (XINHUA) -- The Swedish cooperative friendship delegation led by Karl Eric Persson, executive president of the Swedish Cooperative Union and Wholesale Society, gave a return banquet here this evening.

Among the guests was Wang Houde, chairman of the board of directors of the All-China Federation of Supply and Marketing Cooperatives.

The delegation arrived in Beijing September 10 at the invitation of the All-China Federation of Supply and Marketing Cooperatives. In China, the Swedish guests toured Beijing, Qingdao, Jinan, Shanghai and Guangzhou and exchanged views with Chinese counterparts on further economic and technical cooperation between cooperatives of China and Sweden. The delegation will shortly leave Beijing for home.

BO YIBO MEETS EUROPE COOPERATION CENTER OFFICIAL

OW222128 Beijing XINHUA in English 1527 GMT 22 Sep 82

[Text] Beijing, September 22 (XINHUA) -- State Councillor Bo Yibo met here this afternoon with a delegation from the European Center for International Cooperation led by its Vice-President Albert Chambon.

Bo Yibo briefed the guests on China's open-to-the-world economic policy. He said that China would further strengthen its trade and technical cooperation with West European countries.

Wang Yacting, chairman of the China Council for the Promotion of International Trade, was present.

AMIN AL-JUMAYYIL SWORN IN AS LEBANESE PRESIDENT

OW231845 Beijing XINHUA in English 1833 GMT 23 Sep 82

[Text] Beirut, September 23 (XINHUA) -- Amin al-Jumayyil was sworn in today as president of Lebanon for a six-year term to replace Ilyas Sarkis.

He swore to "respect the Constitution of the Lebanese nation and its laws and to safeguard the independence of the Lebanese motherland and its territorial integrity."

In a brief speech after the inauguration ceremony, the new president said his principle aims were to stop the cycle of violence in Lebanon and meet the people's desire for national unity.

"The security of the nation and of the people must be guaranteed. This will be accomplished by a strong, independent, sovereign state," he said. "The wars of others in Lebanon and at Lebanon's expense must stop," he declared.

He takes the office in turbulent times with Israeli troops still in the country. The ceremony took place at a military academy in the eastern outskirts of Lebanon because the House of Parliament was damaged in the recent war.

Ye Jianying Sends Greetings

OW231532 Beijing XINHUA in English 1511 GMT 23 Sep 82

[Text] Beijing, September 23 (XINHUA) -- Ye Jianying, chairman of the Standing Committee of the National People's Congress of the People's Republic of China, sent a message today to Amin al-Jumayyil to congratulate him on his accession to the presidency of the Republic of Lebanon.

In the message he wishes the Republic of Lebanon success in reinforcing national unity, in safeguarding the independence, sovereignty and territorial integrity of the country and in recovering and developing the economy.

He expresses the hope that the friendly relations between China and Lebanon and the friendship between the two peoples will be consolidated and develop continuously.

U.S. ATTITUDE TOWARD BEIRUT MASSACRE EXAMINED

HK240550 Beijing RENMIN RIBAO in Chinese 23 Sep 82 p 6

[Newsletter by RENMIN RIBAO reporter Yuan Xianly [5913 0341 4389]: "It Is Nothing But Lipservice"]

[Text] The massacre in Beirut has shocked the whole world. International public opinion strongly and unanimously condemned the bloody barbarities committed by the Israeli occupation army. U.S. President Reagan also issued a statement on 18 September, expressing his outrage and revulsion toward these murders. On 20 September, when declaring the redispach of the U.S. Marines to Beirut, he again said that all parties should draw lessons from this incident. It is a pity that he did not mention what lessons the U.S. Government should draw.

However, this is a question which cannot be evaded. 'Arafat, chairman of the Palestine Liberation Organization, said: The U.S. Government gave me a written guarantee that they would protect Beirut -- refugee camps as well as women and children there." But the massacre still happened in spite of the U.S. guarantee. 'Arafat angrily said: "This is a challenge to every people with a conscience in the world." Lebanese Prime Minister al-Wazzan said that the United States had to assume virtual and moral responsibility for the massacre. In a commentary, the Jordan daily AD-DUSTUR said: "No matter what President Reagan said, it is the United States which guaranteed to protect Palestinian refugee camps in Beirut. The sponsor of the agreement secured by Habib is the United States. Therefore, the United States must bear responsibility for the horrible, savage crime committed by Begin and Sharon."

The U.S. press also agreed with this point to some extent. The editorial of THE WASHINGTON POST on 20 September recalled the U.S. reaction after Israel troops entered west Beirut. It said: "On Wednesday, the first day, the (U.S.) Government did not openly say anything. On Friday, when the massacre had already begun in Shatila and Sabra (refugee camps), Reagan still said at a rally held to raise political funds that the Israeli actions were caused by the leftist militia's attack. But, in fact, no such attack had ever happened." Indeed, on Thursday, 16 September, the U.S. Government openly criticized the Israeli invasion of west Beirut as a violation of the cease-fire agreement. But as some U.S. reporters pointed out, this condemnation was made only after the Israeli Army fired on the guards of the U.S. Embassy in Beirut and irritated the U.S. authorities.

The Beirut massacre has at least shown that the "guarantee" offered by the United States to the Palestinian people and Arab countries when talks on a cease-fire agreement were being held, is worthless. This cannot but trigger strong indignation in Arab countries. According to the U.S. press, even President Reagan himself also feared that the United States would lose all credit in the Arab world and that his proposals on the settlement of the Middle East problem, put forth in early September, would fall through. So, he was in a hurry to work out remedial measures. The statements and speeches made by the U.S. Government and its leaders on 18 and 20 September were part of the efforts for this purpose.

However, people are doubtful about the effects of these efforts. THE NEW YORK TIMES reported: When explaining Reagan's speech on 20 September, in which Reagan intentionally avoided clearly pointing out the Israeli responsibility for the Beirut massacre and failed to indicate what measures he would take if Israel refused to withdraw troops from Beirut, some U.S. high officials said that it was because "he did not want anymore conflicts to happen and he hoped for Israeli cooperation in seeking to improve the Beirut situation. In fact, the U.S. purpose of avoiding mentioning the Israeli responsibility for the massacre in west Beirut is to shirk its own responsibility for failing to live up to its guarantee. Reagan's statement also indicated that the United States had no intention to change its stand of harboring Israel and covering up its evil deeds, because it still maintained an appeasing attitude toward Israel even when the latter unbridledly violated the agreement and committed intolerable crimes in Beirut. Under these circumstances, no matter what indignation or condemnation the United States expressed, all is nothing but lip service.

#### BUSH ASKS ISRAEL TO RECOGNIZE PALESTINIAN RIGHTS

OW240835 Beijing XINHUA in English 0703 GMT 24 Sep 82

[Text] Washington, September 23 (XINHUA) -- Vice President George Bush today asked Israel to recognize the legitimate rights of the Palestinians while at the same time urging Arab countries to recognize Israel's rights to exist.

In a speech at the Washington Press Club, Bush said: "The United States is committed to the security of Israel and its need for peace. And the Palestinians and Arab nations must accept the reality of this situation. In return, Israel and the Arab states must recognize that the Palestinian people have legitimate rights that are not satisfied."

He said: "Palestinians can no longer be left in squalid camps scattered throughout the region which only foster conditions that build deeper hatred and nurture frustrations." He believed that "all Arab nations must state with clarity, as has Egypt, that Israel has a right to exist."

1. 24 Sep 82

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PRC INTERNATIONAL AFFAIRS  
MIDDLE EAST & AFRICA

While stressing U.S. commitment to Israel's security, he said: "Now is the time for Israel to signal that it too intends to accelerate the drive for peace."

"It is long past time for Israelis and Arabs to sit together, face to face, as they did at Camp David," he said. He also said President Reagan's Middle East initiative of September first can be used as a "negotiating proposal".

PLO'S 'ARAFAT MEETS PRC AMBASSADOR TO SYRIA

OW181827 Beijing XINHUA in English 1637 GMT 18 Sep 82

[Text] Damascus, September 18 (XINHUA) -- Yasir 'Arafat, chairman of the Executive Committee of the Palestine Liberation Organization (PLO), met with Chinese Ambassador to Syria Lu Weizhao here today.

Lu Weizhao conveyed the admiration of the Chinese Government and people for the heroic struggle of the Palestinian fighters. He said that the Chinese Government and people are deeply concerned with the Palestinian revolution and are paying more attention to the current development of the Palestinian cause.

'Arafat expressed thanks to the ambassador for the friendly feelings of the Chinese people. He said: "I once again express thanks to the Chinese leadership for its reaffirming, in the report at the 12th CPC National Congress, of China's stand of resolutely supporting the Palestinian cause."

'Arafat briefed the Chinese ambassador on the serious situation in Beirut, the continuing massacre of the Palestinian people by Israeli invaders in that city, and the unceasing struggle of the Palestinian people.

'Arafat arrived here from Tunis at dawn today.

WOMEN'S GROUP MESSAGE SENT TO PALESTINIAN WOMEN

OW211749 Beijing XINHUA in English 1550 GMT 21 Sep 82

[Text] Beijing, September 21 (XINHUA) -- The All-China Women's Federation today strongly condemned the massacre of Palestinians by Israeli troops in west Beirut. In a message sent to the General Union of Palestinian Women, the federation urged "the Israeli aggressive troops to immediately and unconditionally withdraw from Lebanon."

The message expressed firm support for the just struggles of the Palestinian and other Arab peoples.

MEXICO'S ECONOMIC DIFFICULTIES EXAMINED

OW220203 Beijing Domestic Service in Mandarin 1100 GMT 20 Sep 82

[Commentary "International Current Events" program: "Mexico Strives To Surmount Economic Problems by Readjusting Economic Policies"]

[Excerpts] Mexican President Lopez Portillo in early September declared the nationalization of Mexico's private banks, banned circulation of the dollar on the market and imposed strict government control over all exchanges of foreign currencies. This was another important step taken by Mexico to readjust its economy.

Because of the worldwide economic crisis and domestic problems over the past 2 years, Mexico's economic construction has been confronted by a new dilemma marked by the rapid increase of the foreign debt and pernicious inflation, devaluation of the peso and rising unemployment resulting from the government's serious financial deficits.

Mexico's problem-ridden economy has complex international and domestic factors. Firstly, the excess speed of the nation's economic development has strained its financial and material resources. To accelerate its economic development and create more job opportunities, the Mexican Government has in recent years continuously increased its investments in capital construction and many factories, enterprises and oilfields have been built. However, because of insufficient funds, backward technology and a shortage of equipment, the country has to rely on foreign assistance and has to induce foreign firms -- especially U.S. firms -- to invest in Mexico. Much technology and large quantities of equipment have been imported by governmental and private enterprises using foreign credits.

Foreign credits play an important role in Mexico's economic development. Although the country has gained some experience in utilizing foreign capital, it is overburdened by huge debts. In repaying the principal and interests which are due, Mexico's foreign exchange has been extremely strained. Moreover, the government's huge expenditure on social welfare programs, including subsidies for food, electricity, gasoline and transportation, has also resulted in financial deficits for many years, which in turn must be made up by foreign borrowing.

Secondly, Mexico has been overly dependent on its oil exports, thus causing a dislocated national economy. Mexico has been relying on its oil export to a great extent for the foreign exchange and capital needed for the nation's economic development. Since early last year, however, the need for oil has decreased in the West because of the economic recession, and oil prices have also dropped. In 1981 alone, Mexico's oil revenue was \$6.7 billion lower than its original target. The situation will be even more serious this year. The nation's revenue from oil exports this year will probably be only \$14 billion, instead of \$27 billion as originally planned.

Thirdly, because of the worldwide economic crisis, certain economic powers have attempted to shift the crisis onto the Third World, thus increasing the pressure on Mexico. For example, because of the economic recession, decreased prices for oil and other primary products and the high interest rate policy pushed by the United States, Mexico's foreign debt burden has become even heavier. In recent years, the United States seemed pleased to extend loans to Mexico, not only because the United States wants to profit from high interest, but more importantly because the United States has been attracted by Mexico's oil resources and has tried to control Mexico's oil industry through extending credits to Mexico. According to reports, as much as 70 to 80 percent of Mexico's oil for export is shipped to the United States, making Mexico one of the United States principal oil suppliers. This is highly significant because the United States can reduce its dependence on Mideast oil.

Since Mexico's financial crisis became apparent, the United States has shown unusual concern for that country. This is because two-thirds of all foreign investments in Mexico are from the United States. The United States and other countries in the West also do not want to see a further deterioration in Mexico's economy. They worry that a worldwide financial crisis might be triggered by an economic collapse in Mexico. The U.S. Government has now promised to provide Mexico with \$2 billion in emergency assistance. Twelve central banks of the United States and other Western countries have also decided to extend \$1.85 billion in loans to Mexico. One hundred other large international banks have also concurred on a 90-day moratorium on Mexico's debts. Of course, the international financial concerns also can infiltrate still further into Mexico by taking advantage of that country's economic problems.

BRAZILIAN ENVOY PRESENTS CREDENTIALS TO ULANHU

OW210812 Beijing XINHUA in English 0758 GMT 21 Sep 82

[Text] Beijing, September 21 (XINHUA) -- New Brazilian Ambassador to China Italo Zappa presented his credentials here this morning to Vice-Chairman Ulanhu of the Standing Committee of the National People's Congress.

Chinese Vice-Minister of Foreign Affairs Han Xu was present. The ambassador arrived here September 16.

CHINESE RESIDENTS IN BRAZIL FETE RONG YIREN

OW201409 Beijing XINHUA in English 1323 GMT 20 Sep 82

[Text] Brasilia, September 19 (XINHUA) -- The Chinese Cultural Association, an organization of Chinese residents in Brazil, gave a reception in honour of Rong Yiren, president and general manager of the Chinese International Trust and Investment Corporation, and his wife in the National Club of Sao Paulo yesterday evening.

More than 300 Chinese residents in Sao Paulo and other parts of Brazil were present on the occasion. Some Chinese residents in Paraguay made a special trip to Sao Paulo to attend the reception.

Rong Yiren arrived in Brasilia on September 12 at the head of a Chinese delegation at the invitation of the Brazilian Government for a good-will visit to the country. The Chinese guests came to the industrial city of Sao Paulo on September 16.

RENMIN RIBAO URGES STUDY OF CONGRESS DOCUMENTS

HK231046 Beijing RENMIN RIBAO in Chinese 23 Sep 82 p 1

[Editorial: "The First Major Matter"]

[Text] Following the triumphant close of the historic 12th CPC National Congress, the task for the whole party is to unite with the people of all nationalities throughout the country to firmly implement the guidelines set forth by the congress and to strive to accomplish the program and targets put forth by the congress. A very important item of work at present is to seriously organize the whole party to study the documents of the 12th CPC Congress. As pointed out by Comrade Hu Yaobang at the 1st Plenary Session of the 12th CPC Central Committee, party committees at all levels must strive to carry out this study conscientiously by taking it as the first major matter after the close of the 12th CPC Congress.

Why should this study be taken as the first major matter? The reason is that only through study can the whole party achieve unity in thinking and guarantee implementation of the principles and tasks laid down by the 12th CPC Congress. The documents of the 12th CPC Congress are brilliant Marxist documents, having very rich and very profound contents. In his opening speech, Comrade Deng Xiaoping incisively outlined the historical position of the 12th CPC Congress, the most essential experience of the Chinese revolution and modernization, the three major tasks for the 1980's and the four items of work which must be firmly grasped for a long time in the future. The program and various principles and policies put forth in the report by the CPC Central Committee for creating a new situation in all fields of socialist modernization have fully affirmed the correct line laid down by the 3d Plenary Session of the 11th CPC Central Committee and replenished it with rich contents. In the report the expositions on the strategic target, key points and steps and the series of correct principles regarding economic construction, on the socialist spiritual civilization as an important characteristic of socialism, on the relationship between the development of spiritual civilization and the development of material civilization and on the relationship between cultural development and ideological development in the development of spiritual civilization, reflect our party's new understanding on socialism. The new party constitution is based on the profound summing-up of both the positive and negative experiences in the party's activities, not only restoring the merits of the party constitutions adopted by the Seventh and Eighth CPC Congresses, but also making major new developments. Comrade Ye Jianying's speech, Comrade Chen Yun's speech and Comrade Li Xiannian's closing speech expounded the important problems. The documents of the 12th CPC Congress, especially the several major ones, are a summary of historical experience and a crystallization of collective wisdom. These documents reflect that our party's understanding of the national conditions and the laws of socialist construction in China have reached a new high and that our party's effort to integrate the universal truth of Marxism with the concrete realities in China has also reached a new high.

The CPC Central Committee has approved and transmitted the arrangements made by the Propaganda Department of the CPC Central Committee for studying and publicizing the documents of the 12th CPC National Congress. The study is scheduled to be carried out to the end of June next year. All comrades who have a good reading ability, and especially party members and cadres, should read the documents carefully and thoroughly. They should read them paragraph by paragraph, do some hard thinking and study them repeatedly. They should not just scan them and stop after accumulating a little knowledge about them. Reading the major documents once or twice is not enough. They should be read many times. To deepen their understanding of the documents, our comrades might study in conjunction with some related writings by Marx, Engels, Lenin and Comrade Mao Zedong and the important documents published since the 3d Plenary Session of the 11th CPC Central Committee, including some of the works by the central leading comrades. Discussion should be organized appropriately to help comrades exchange their thoughts and views so that they can learn from each other and make up for each other's deficiencies.

However, only when all comrades have seriously studied the documents can they profit from the discussions. In the discussions, they should pay attention to producing good results, refrain from going through the motions and not rush through the discussions by talking about matters having nothing to do with the documents.

The study of the documents must be linked with realities. First, it should be linked with actual ideological conditions, so as to correctly understand the basic guidelines of the documents and achieve unity in thinking on the basis of the program, principles and policies put forth by the 12th CPC Congress. Second, the measures and methods for implementing the guidelines of the 12th CPC Congress should be studied in light of actual work conditions and the conditions of a region, department or unit. As demanded by the CPC Central Committee, we should first grasp the basic guidelines of the documents and solve the problems in our work in light of the conditions in our locality, department or unit. We must initiate a good style of study in the party. That is to say, we must study the documents seriously and realistically, have a good grasp of the guidelines of the documents and really raise the level of our thinking and work.

Party committees at all levels must arrange and organize this study drive. They must well organize the study not only for party members, but also for the broad masses of people, so as to make the spirit of the 12th CPC Congress known to every household and every person. Of course, the stress still has to be placed on study by party members, in particular study by the leading cadres at and above the county level. Some specific requirements for study may be formulated according to the specific conditions of their own regions and departments. Only those things which have a bearing on the documents should be added. Party organizations at various levels do not have to wait for the directives to be conveyed level by level. Instead, they should give full play to their own initiative and promote the study in good time.

In emphasizing that study must be promoted as a matter of first priority, we certainly do not mean that other work should be set aside. In fact, study can never replace other work, but should efficiently push it forward. Economic work should never be slowed down. Other work, such as structural reform and system reform, the move to deal blows at serious criminal activities in the economic field, and so on, must be carried out more thoroughly. By conscientiously studying the documents of the 12th CPC Congress, the vast number of our cadres and the broad masses of the people will be able to greatly deepen their understanding of the party's program of struggle, improve their ideological consciousness, strengthen their confidence in our cause, and thus more effectively fulfill various current tasks. For the vast number of our party members, this study drive is actually an ideological preparation for the rectification of the party to be carried out in the latter half of next year.

Reviewing history, in retrospect, we find that the line laid down at the Eighth CPC Congress was correct. However, since the party did not make adequate ideological preparations for carrying out socialist construction in a comprehensive way, and the comrades within the party, in particular the leading core of the party, did not reach unanimity in their understanding of the line and guiding principles put forth at the eighth congress, our party failed later to adhere to these lines and principles in practice. After the 3d Plenary Session of the 11th CPC Central Committee, some regions and departments did not do their best, or even wavered in implementing the spirit of the 3d plenary session. The important cause contributing to this was their failure to conscientiously study and understand the documents of the third plenary session. This was really a profound lesson. This time, our whole party, first of all the party's high- and middle-level cadres, must definitely understand and adhere to the fundamental spirit of the 12th CPC Congress, highly, conscientiously and unswervingly carry out the program, principles and policies laid down by the 12th CPC Congress, avoid being affected by some apparent phenomena and temporary factors, get rid of all disruptions caused by either "leftist" or rightist wrong ideological trends, keep all our work on the right track laid down by the 12th CPC Congress, and thus, conscientiously create a new situation in socialist modernization construction.

PRIVATELY RUN INDUSTRY SEEN AS 'INDISPENSABLE'

HK240753 Beijing RENMIN RIBAO in Chinese 22 Sep 82 p 3

[Commentator's article: "Let Privately Run Industry Flourish"]

[Text] Privately run industry is an important component of our country's national economy and an indispensable link in the chain of commodity production and circulation. It consists of various sectors dealing with grain, edible oil, meat, poultry, egg-product processing, pastry and candy, dairy products, food seasonings, garments, shoes, hats, business machines, coal products' processing and medicine. They are closely related to the people's daily lives. As the saying goes, firewood, rice, edible oil, salt, sauce, vinegar and tea are the seven things which we cannot do without in our daily lives. These things are put into the market after being processed by privately run industry. For a long time, the masses of workers and staff members who engaged in the privately run industry have done a great deal of arduous work to replenish the market supply and satisfy the people's needs in their daily lives. They have submitted to the state a considerable amount of accumulation (taxes) every year.

However, the present situation in the privately run industry does not adequately suit its important role in the national economy. The privately run factories are in a difficult situation, being burdened with the problems of having limited space, outdated equipment, backward technology and inadequate capital funds and technical forces.

To develop privately run industry, the leaders and relevant departments at all levels must fully understand its important position and role in the national economy and adopt effective methods to support it in accordance with the party's policies. At present, special attention should be paid to helping privately run industry overcome its difficulties in developing production, and essential conditions should be created for developing industrial enterprises. The CPC Central Committee pointed out long ago: "It is necessary to adopt the method of assuming financial responsibility and the self-supporting method to prop up this industry." The experiences of the leaderships of Hunan's Jinshi Municipality and Changde Prefecture in paying close attention to the privately run industry and propping up the candy and pastry factory deserves to be studied by other localities. However, up to the present time, many localities have not seriously implemented the CPC Central Committee's policy of propping up the privately run industry. Many people just confine their scope of vision to the "retention of a portion of profits" of an enterprise and try in every possible way to share its profits and squeeze all "fat" out of the privately run industry. As a result, nothing will be achieved because capital funds are not pooled together. An ancient saying goes: "To make profit, we must first make an investment." Hunan's Jinshi Municipality actively props up the privately run industry, allows the enterprises to retain the greatest possible portion of profits, and gives them more power to make decisions so that they can build up their strength and make some achievements within a short period of time. This benefits both the state and the enterprises. The privately run industry needs a small investment, produces results quickly and has much accumulation. It can produce relatively good results in a short period of time if it is propped up according to the correct policy.

To develop privately run industry, the industrial enterprises must work hard. The masses of workers and staff members engaged in privately run industry must have high aspirations to eliminate the backwardness of the enterprises and build socialism and should not wait passively and simply ask for state aid. We advocate the practice of creating a new situation and opening bright prospects by working with our hands and displaying our wisdom.

The conditions of privately run industry vary in thousands of ways. Some enterprises make very little profit. Some even deliberately suffer losses, as required by the policies, so that they cannot support themselves. These enterprises must be aided by means of state investment and subsidy and bank loans according to the state policies and in light of their actual conditions. In the future, a flexible policy should be adopted for the privately run sundry food industry so as to bring the role of this industry into full play as an economic lever and readjust its output according to the market demand. This will help enliven privately run industry as a whole.

CPPCC STANDING COMMITTEE 20TH MEETING OPENS

OW240402 Beijing XINHUA Domestic Service in Chinese 0210 GMT 24 Sep 82

[Text] Beijing, 24 Sep (XINHUA) -- The 20th meeting of the Standing Committee of the 5th CPPCC National Committee opened this morning at the CPPCC National Committee Auditorium.

The major items on the meeting's agenda are to study and implement the guidelines of the 12th CPC National Congress and to decide on the date of the 5th Session of the 5th CPPCC National Committee.

Liu Lantao, vice chairman of the CPPCC National Committee, presided over today's plenary meeting. He reported on the spectacular success of the 12th CPC National Congress and his own experience at the congress.

Lu Dingyi, Li Weiha, Xu Deheng, Kang Keqing, Zhuang Xiquan, Hu Ziang, Hu Yuzhi, He Changgong, Yang Xiufeng, Burhan Shahidi and Qian Changzhao, vice chairmen of the CPPCC National Committee, attended today's meeting.

MORE FOREIGN LEADERS SEND CONGRATULATIONS TO HU

## Algerian, Zimbabwe Leaders

OW222126 Beijing XINHUA in English 1559 GMT 22 Sep 82

[Text] Beijing, September 22 (XINHUA) -- Hu Yaobang, general secretary of the Central Committee of the Communist Party of China, has received congratulatory messages from Algerian President Chadli Bendjedid and Zimbabwean Prime Minister Robert Mugabe.

President Chadli, who is also secretary-general of the party of the National Liberation Front, greeted Hu Yaobang on his becoming the general secretary of the C.P.C. Central Committee. Chadli said in his message that he was fully convinced that "under your correct leadership, the great Chinese people will surely achieve greater successes in the path of developing economy and improving living conditions."

Prime Minister Mugabe, who is also president of the Zimbabwe African National Union [ZANU] (Patriotic Front), congratulated Hu Yaobang on his election as the general secretary and extended tribute and good wishes to the Central Committee of the Communist Party of China in his own name and on behalf of the ZANU.

## French Communist Party (M-L)

OW191557 Beijing XINHUA in English 1503 GMT 19 Sep 82

[Text] Beijing, September 19 (XINHUA) -- Hu Yaobang, general secretary of the Central Committee of the Communist Party of China (CPC), received Saturday a congratulatory letter from the Central Committee of the Marxist-Leninist Communist Party of France, on his being elected general secretary. The letter expresses the confidence that the CPC, under the leadership of Comrade Hu Yaobang, the Central Committee and other bodies elected at the 12th national congress, and with the efforts of all its cadres and members, will successfully attain the grand goal set by the 12th national congress to turn China into a modern socialist country with highly-developed civilization and democracy, oppose hegemonism, uphold world peace and advance the progressive cause of mankind.

PLA NAVY PUBLICIZES PARTY CONGRESS DOCUMENTS

OW230951 Beijing XINHUA Domestic Service in Chinese 1216 GMT 22 Sep 82

[Excerpts] Beijing, 22 Sep (XINHUA) -- Many work groups from the PLA Navy, led by over 100 cadres from divisional units and above, have gone to offshore islands, naval vessels, military ports and outposts to publicize the documents of the 12th CPC National Congress and guide the broad masses of cadres and fighters at the grassroots units to comprehend the guidelines set by the congress and work hard to create a new situation for naval development.

Their methods include:

1. In addition to organizing the cadres and fighters to study the documents of the 12th CPC National Congress, these work groups also guide them to compare the 12th and the 7th CPC Congresses and understand that the 12th CPC Congress is equally important in CPC history. Now cadres and fighters understand that the 7th CPC Congress laid the foundation for seizing the nationwide victory, while the 12th CPC Congress has charted the correct course, strategic steps and policies for creating a new situation in all fields of socialist modernization.
2. While helping grassroots units to thoroughly comprehend the guidelines of the 12th CPC Congress, these work groups pay special attention to educating and reforming people with communist ideology. To deal with the situation that a small number of comrades in the navy have been influenced by society's view that communism is but a "dim illusion," they guide everybody to study such relevant theoretical works as "The Communist Manifesto," "The Struggle in Jianggang Mountain" and "On New Democracy," as well as the history of social development, thus helping everybody understand, from a theoretical point of view, the inevitability and arduousness of realizing a communist society, clearly understand the relationship between a communist society and the communist movement and reaffirm their determination to struggle for communism during their entire lives.
3. Integrate theory with practice. To correct the misconceptions of some comrades who maintain that realizing the strategic goal is the duty of higher authority and the civilian departments and has very little to do with themselves, these comrades are helped to understand the PLA's heavy responsibilities in the struggle to create a new situation in all fields of socialist modernization, the relationship between the country's industrial and agricultural development and the modernization of the armed forces. Now these comrades understand that all general tasks, principles and policies put forward by the 12th CPC National Congress are closely related to the armed forces, and heighten their sense of responsibility in implementing the guidelines of the party congress.

#### EARLY RICE COLLECTION, QUOTAS EXCEEDED

OW180822 Beijing XINHUA in English 0712 GMT 18 Sep 82

[Text] Beijing, September (XINHUA) -- China has topped the quota for the collection and purchase of early rice, according to the Ministry of Commerce.

As of September 10, the ministry said, ten of the 13 major early rice producing provinces, municipality and autonomous region in southern China exceeded their quotas for state tax in kind and purchase by an average of 3.9 percent.

Among them, Fujian and Hubei Provinces both surpassed their targets by 20 percent, Hunan Province and the Guangxi Zhuang Autonomous Region by ten percent, and Jiangxi Province by six percent.

China's early rice output grew by 1.5 million tons this year above that of last year, hitting an all-time high, despite a decrease in hectareage planted to the crop and heavy rains and waterlogging.

The good harvest is due to the establishment of the job responsibility system and popularization of agro-techniques.

#### SCIENCE ASSOCIATION OUTLINES FUTURE TASKS

OW231743 Beijing XINHUA in English 1520 GMT 22 Sep 82

[Text] Beijing, September 22 (XINHUA) -- Pei Lisheng, vice-chairman of the 1.1 million strong National Association for Science and Technology, outlined the tasks for the coming year.

In his work report to the second national committee meeting today, he said the association will organize surveys and discussions of major coal center construction projects, tropical agricultural development of Hainan Island and utilization of water resources in north China.

One of the prime tasks of the association is to work as a link between the party and intellectuals, especially middle-aged scientists, who can best contribute to the nation's modernization, he said.

Reviewing the association's work in the past two years, Pei Lisheng said, discussions have been held on agricultural modernization of China's dry northwest, the hilly areas in tropical and subtropical zones, Hainan Island and the North China Plain. Information has been provided for planners and policy-makers and more than 600 proposals made for energy use, exploration, exploitation and conservation, communications and transport, soil use and family planning.

The vice-chairman cited mathematician Hua Luogeng and several dozen specialists who proposed new Anhui Province coal mines open two years ahead of schedule, thus making possible production of more than 80 million extra tons of coal.

The association now has 106 national branches specializing in natural sciences, which publish more than 300 academic journals. Pei Lisheng called on all branches to integrate engineering, medical and agricultural sciences with management and economy in order to raise efficiency and develop production.

He said the association has established relations with more than 100 science organizations in more than 30 countries and regions, and plans to expand those exchanges in subjects linked with China's economic construction.

#### YUAN BAOHUA SPEAKS AT METROLOGY SYMPOSIUM

OW220935 Beijing XINHUA Domestic Service in Chinese 1148 GMT 21 Sep 82

[Excerpts] Beijing, 21 Sep (XINHUA) -- A national symposium on metrological work of factories, mines and other enterprises ended here today with the State Bureau of Weights and Measures awarding the title of "advanced unit in metrology" and other citations to 90 factories, mines and other enterprises. The units had been recommended by the metrological and industrial departments of various provinces, municipalities and autonomous regions.

Attaching great importance to metrological work, these enterprises units have regarded metrology as an important means to strengthen modern management and improve economic results. They have set up metrological work organizations and trained the necessary personnel.

The symposium was addressed today by Vice Minister Yuan Baohua of the State Economic Commission. He said that metrology is an important part of the technology of factories, mines and other enterprises. It plays a great role in perfecting our economic responsibility systems, in improving enterprise management and overall planning, and in ensuring quality control and economic calculations and thereby raising our enterprises' economic efficiency. He urged the various departments concerned and the economic committees at all levels to attach importance to metrology and to give full play to the role of metrological work units.

The 7-day national symposium was jointly sponsored by the State Economic Commission, the State Scientific and Technological Commission and the National Defense Scientific and Technological Commission. The participating factories, mines and other enterprises exchanged their experiences in metrological work and deliberated on a number of questions on how to improve this work in the future.

HU QIAOMU SENDS WREATH TO MEMORIAL MEETING

OW200841 Shanghai WEN HUI BAO in Chinese 15 Sep 82 p 2

[Excerpts] A memorial meeting for renowned Chinese historian Prof Xie Guozhen was held at Babaoshan in Beijing on 14 September.

Attending the meeting were Ma Hong, Mei Yi, Huan Xiang, Ye Shengtao, Yin Da, Wang Li, Lu Shuxiang, Li Shu, Deng Guangming, Tang Tao, Zhao Xun, Su Shaozhi, Qi Gong, Zhou Shaoliang and others, totaling some 300 persons.

Wreaths and elegiac couplets were sent by Comrades Hu Qiaomu, Deng Liqun and Li Yimeng and many of his friends in university and academic circles.

Yin Da, director of the Institute of History under the Chinese Academy of Social Sciences, delivered the eulogy, reviewing Prof Xie Guozhen's teaching career and research in history, totaling more than 50 years.

RENMIN RIBAO ON BUILDING SOCIALIST DEMOCRACY

HK200834 Beijing RENMIN RIBAO in Chinese 14 Sep 82 p 5

[Article by Zhang Youyu [1728 0645 3342]: "Build a High Level of Socialist Democracy"]

[Text] The documents of the 12th CPC National Congress, convened recently, have in particular emphasized that we must build a high level of socialist democracy.

Since the 11th Plenary Session of the 11th CPC Central Committee, our party has regarded the building of a high level of socialist democracy as an important target. Our party and state have not only attached great importance to developing the people's democracy in running state affairs and looking after their economic, cultural and social life, but have also paid close attention to developing democracy in basic-level organizations, namely in developing democracy in various enterprises and undertakings and in developing the masses' autonomy in their general social life to gradually realize the people's direct democracy. Consummating and developing democracy in state organs or power are very important. But democracy in basic-level organizations is the foundation of socialist democracy. Without consummating and developing democracy in basic-level organizations, it is impossible to consummate and develop democracy in state organs of power. Therefore, we will carry out democratic management after state-run enterprises have exercised the system of staffs and workers' congresses and collective enterprises at the city and town levels and the people's communes have adopted the system of laborers' meetings or congresses according to their own specific conditions. In order to bring about more order, article 113 of the draft of the revised constitution particularly clarifies the legal status of neighborhood committees and villagers' committees which act as the masses' autonomous organizations at the city and town levels. It also explains their nature, tasks and power in protecting to a large extent the masses' autonomy and in further realizing direct democracy.

Socialist democracy and the socialist legal system are closely related. They consolidate the socialist economic base and bring forward the socialist economy. In other words, they are a means, not an aim. But as far as their relations are concerned, democracy is an aim, and the legal system is a means to protect democracy. The legal system must be based on democracy, and democracy needs the protection of the legal system. We can say that without the socialist legal system, there would be no socialist democracy; and for the socialist legal system to be thoroughly effective, we must rely on the democratic strength of the people. Therefore, democracy is the starting point as well as the end result. Because of this, when building socialist democracy we must at the same time perfect the socialist legal system and closely combine the building of socialist democracy with the building of the socialist legal system to systemize and legalize socialist democracy.

By systemizing and legalizing socialist democracy, we are by no means restricting democracy. On the contrary, we are protecting it. Specific examples are as follows: 1) The constitution and law clearly provide that the democratic rights enjoyed by the people, who are the masters of the country, enable them to understand what democratic rights they should and should not exercise. The purpose of clarifying the sphere of democratic rights in the constitution and law is to affirm and fully protect democratic rights. 2) The constitution and law clarify how the people should exercise their democratic rights. All power in China belongs to the people. But it does not mean that every citizen can exercise all this power. They exercise certain power through various means and forms and by appropriate procedures. For instance, the organs through which the people exercise state power are the National People's Congress and the people's congresses at various levels in the localities. These congresses exercise state power on behalf of the people. In basic-level economic organizations, the staff and workers can directly exercise their democratic rights. In basic-level autonomous organizations of the masses, the people can have even more opportunities to directly exercise their democratic rights. As to exercising other democratic rights, certain procedures are also necessary. This does not restrict the people from exercising their power, but guarantees the people the right to normally and effectively exercise their power. 3) The constitution and law also clarify measures for protecting the people's democratic rights. Every citizen must abide by the principle of rights being identical to duties. Every citizen enjoys the rights provided in the constitution and law, and at the same time is dutybound to observe the constitution and law. When exercising his rights, a citizen must not do anything harmful to the interests of the state, society or the collective or to the legitimate rights of other citizens. Only when every citizen abides by this principle can we build stable and excellent order and create conditions for all citizens to enjoy and exercise their democratic rights. Otherwise, the people's democratic rights will be infringed upon, and individual democratic rights cannot be protected.

In the 6 years since the smashing of the "gang of four," and particularly since the 3d Plenary Session of the 11th CPC Central Committee, the party and state have achieved great success in developing socialist democracy and in perfecting the socialist legal system. But viewed from the angle of various socialist democratic systems and lives, we have not done nearly enough. In legislation, we have done quite a lot of work and achieved great success. But some urgent legal provisions have not been formulated. On the other hand, some legal provisions which have been formulated are not perfect and are not appropriate enough. We are not strict and energetic enough in enforcing the law. The concept of a weak legal system can still be commonly found among the masses and ordinary and leading cadres. In short, the systemization and legalization of democracy need be further perfected.

How should we speed up the systemization and legalization of democracy and further perfect our socialist legal system? Strong measures must be adopted in respect to legislation, law enforcement and the education of the people on obeying the law, so as to make our work more effective. But in comparing the building of our socialist legal system to various links of our work, we know that doing a good job in enforcing the law is the most important. Because if we want to systemize and legalize democracy, we must first have the "law to act according to." If "we have the law, but we do not act according to it, or do not execute it strictly, or do not deal with those who violate the law," then it will be the same as having no law, and even if we have sufficient and good legal provisions, we will not be able to speed up the systemization and legalization of democracy. The problem now is not that we do not have the law to act according to. It is that we have the law, but we do not act according to it or we do not strictly execute it. This problem needs an immediate solution. How should we solve this problem? The crux is that we must strengthen the contingent and perfect the organs for executing the law. At present, one outstanding problem is that the contingent for executing the law is not suited for developing socialist democracy and perfecting the socialist legal system.

The contingent for executing the law is not only short of personnel, but is also of low quality. Some members have not undergone any professional training or education. Their legal knowledge and ability to handle cases are poor. They cannot correctly execute the law. Some of them are even impure in politics and style. So such a contingent must be reorganized. Without a legal executive contingent, which is politically strong and ideologically good and which has professional knowledge and working ability, the systemization and legalization of democracy will come to nothing.

Finally we must point out that the building of socialist democracy and the perfecting of the socialist legal system must be carried out under the leadership of the party. Therefore, we must not only strengthen but must also improve party leadership. The party should not overlook the systemization and legalization of democracy, or give up its leadership. But it should not exercise its leadership through issuing orders, nor should it monopolize everything. Correct leadership is leadership in ideology and politics and in principles and policies. It must be able to decide on major and important policies and to allocate and supervise cadres. Being unable to distinguish party work from government work means being unable to exercise correct leadership. In fact, such leadership confuses the work of the party with the work of vocational institutions. It not only hinders vocational institutions from independently and effectively carrying out their work, but also makes it difficult for party committees to have sufficient time to know the situation well, to study policies and law, to examine the implementation of policies and law, or to strengthen the political and ideological work of the cadres and masses in and outside the party. In this situation, party leadership will be weakened.

What is more important is that party organizations at all levels and every party member, particularly every leading cadre, must serve as an example and strictly protect the legal system and observe the constitution and law. If the party itself does not protect the legal system, how can it require legal executive organs and the people to protect the legal system? The leadership exercised by the party over the state and the people is political leadership. The party can suggest that state organs or power formulate the law, but it cannot order them to do so. Once a law is passed, party organizations, together with all state institutions and the people's armed forces, all political parties and social bodies and all enterprising organizations, must strictly abide by it. As pointed out in the "Resolution on Certain Questions in the History of Our Party Since the Founding of the People's Republic of China": "Like other social organizations, party organizations at all levels must carry out their activities within the framework of the constitution and law." Of course, the law which has been formulated is not eternal. Following political, economic and social development and changes, it can be revised, supplemented or even abolished. But this must be carried out by state organs of power through legal proceedings, and cannot be dealt with at will. If the law is not revised or abolished, it must be observed. A Communist Party member is an element among the people. He is not a "special citizen" who stands out from the people or lords it over the people. He has no privilege that goes beyond the constitution and law. When a party member violates the law, besides being punished according to party discipline, he will be dealt with according to law like any other person who violates the law.

REN ZHONGYI REPORTS ON CONGRESS TO GUANGDONG CPC

HK231047 Guangzhou Guangdong Provincial Service in Mandarin 2350 GMT 22 Sep 82

[Text] The Guangdong Provincial CPC Committee held a report meeting at the Dr Sun Yat-sen memorial hall yesterday morning to convey the spirit of the 12th CPC Congress. Ren Zhongyi, first secretary of the provincial CPC committee, gave a report at the meeting. More than 5,000 people attended the meeting. Present at the meeting were provincial CPC committee secretaries Liang Lingguang, Li Jianzhen, Guo Rongchang, Wang De, and Yin Linping; members of the standing committee of the provincial CPC committee; and members and alternate members of the CPC Central Committee, members of the Central Advisory Commission, and members of the Central Commission for Discipline Inspection who were staying in Guangzhou. Also present at the meeting were all comrades participating in the provincial three-level cadre meeting held by the provincial CPC committee to convey and study the spirit of the 12th CPC Congress; the responsible comrades of the standing committee of the provincial people's congress, the provincial government, the provincial CPPCC committee, and the provincial military district; party members holding responsible posts at and above the level of provincial organ, department, committee, bureau and office; and all comrades participating in the Guangzhou municipal meeting of cadres and meeting on propaganda work. In addition, the responsible people of provincial and municipal organs of various democratic parties and nonparty personages also attended the meeting as visitors.

Comrade Wang Quanguo presided over the meeting. Comrade Ren Zhongyi presented to the participants the progress of the 12th CPC Congress based on the activities of the Guangdong delegation, and conveyed the spirit of the 12th CPC Congress. He appealed to the party organizations at all levels and the people throughout the province to unite as one, make unremitting efforts, and especially, uphold all correct guidelines laid down at the 12th CPC Congress, and oppose all leftist and rightist wrong tendencies which go against the above guidelines, so as to fulfill the magnificent program and all tasks put forth by the 12th CPC Congress. Comrade Ren Zhongyi also demanded that all regions and all units conscientiously convey and study the spirit of the 12th CPC Congress, thoroughly understand the spiritual essence of the documents of the 12th CPC Congress and work out specific and feasible goals, requirements and measures in light of the actual conditions of their own regions and units and by summing up ideas from the vast number of party members and masses, unite with them and lead them to strive together for the magnificent tasks put forth by the 12th CPC Congress.

During the meeting, Comrades Liang Lingguang, Yin Linping and Fan Xixian, respectively, conveyed Comrade Hu Yaobang's speech to the 1st Plenary Session of the 12th CPC Central Committee, Comrade Deng Xiaoping's speech to the first meeting of the Central Advisory Commission and Comrade Chen Yun's speech to the first meeting of the Central Commission for Discipline Inspection.

NEI MONGGOL'S ZHOU HUI AT PARTY MEETING

SK231133 Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 22 Sep 82

[Excerpts] The Nei Monggol Regional CPC Committee ceremoniously held a meeting of party-member cadres at the Nei Monggol gymnasium on the morning of 21 September to relay the guidelines of the 12th national party congress. Attending the meeting were the regional and Hohhot municipal party, government, army and CPPCC committee office cadres, totalling 1,000 persons. Responsible persons of the regional and Hohhot municipal party, government, army and CPPCC committees including Zhou Hui, Ting Mao, Wang Duo, Kong Fei, Zhang Pengtu, Li Wen, Bu He, Shen Xinfu, Peng Mengyu, Ba-tu-ba-gen, (Chu He), (Luo Junqing), Cai Ying, Zhang Debin and Kui Bi as well as Hohhot delegates to the 12th party congress attended the meeting. Comrade Wang Duo presided over the meeting.

Comrade Zhou Hui elaborated on the historic significance of the 12th party congress and explained and publicized the basic guidelines and emphases of the congress documents at the meeting. Bu He, Ba-tu-ba-gen, Ting Mao and Kong Fei separately introduced the grand occasion of the congress and relayed the important speeches by Comrades Hu Yaobang, Deng Xiaoping and Chen Yun.

Comrade Zhou Hui urged all party-member cadres to deeply understand the basic guidelines of the congress documents by proceeding from a study of Comrade Deng Xiaoping's opening address. He said: The opening address is a general program and guiding ideology of the 12th party congress. There are two points in the opening address that give the people a profound education: First, we must have the passionate nature of a Communist Party member. We must gain a position among the advanced ranks of the world, guard against the corrosive influence of bourgeois ideas and [words indistinct]. Second, we must have a study spirit, revive the party's fine traditions, begin all things from the actual situation and find a Chinese-style socialist road. These two points are very important. They are a highly condensed, precious summary of our party's experiences and lessons gained through years of successes and failures.

Comrade Zhou Hui emphatically pointed out: We must lay stress on studying Comrade Hu Yaobang's report and make new contributions to creating a new situation in all fields of socialist modernization and in speeding up the four modernizations. Efforts must be made to strengthen the building of the party in accordance with the demands of the new party constitution and to strive to be qualified Communist Party members in the new period. We must always bear in mind the teachings of the two veterans -- Comrade Ye Yanying and Chen Yun -- and do a good job in promoting cooperation of old and new cadres and succession of the new to the old by keeping abreast of the development of the current situation. These have a vital bearing on the prosperity of our party and state and on the success and failure of our great socialist cause and are crucial to whether we can achieve the fighting program defined at the 12th party congress. After this congress, many veteran cadres who have worked hard for the party's cause for decades and have made valuable contributions will retreat from leading posts at all levels and a large number of middle-aged and young cadres who are in their prime and have both ability and political integrity will assume leading posts at all levels to hand down from generation to generation the revolutionary cause defended by the veterans.

Comrade Wang Duo offered some concrete suggestions on studying and implementing the document guidelines of the 12th party congress throughout the region at the end of the meeting.

TIANJIN'S CHEN WEIDA VISITS BICYCLE PLANT

SK231154 Tianjin City Service in Mandarin 0030 GMT 23 Sep 82

[Text] According to TIANJIN RIBAO, Chen Weida, first secretary of the municipal CPC committee, visited Tianjin bicycle plant on the morning of 22 September and held a forum of cadres to discuss their personal experience in studying the documents of the 12th party congress. Comrade Chen Weida visited the bicycle plant's forging. [words indistinct], electroplating and bicycle framework workshops as well as the bicycle performance testing section to ascertain the production situation and the quality of bicycles.

Meeting a female worker at the bicycle framework shop, we asked: Have you studied the documents of the 12th party congress? The female worker replied: Yes, I have. We have also held discussions. Comrade Chen Weida then asked: Do you have confidence in fulfilling what has been set forth at the 12th party congress that we must strive to quadruple the annual industrial and agricultural output value by the end of the century as compared with that of 1980? The female worker replied: I have confidence in this. It will certainly be fulfilled.

Comrade Chen Weida also invited workshop directors, party branch secretaries and cadres of various sections to the plant to discuss their personal experience in studying the documents of the 12th party congress. Comrade Chen Weida said: Through studying the congress documents, we have enhanced our understanding and boosted our work enthusiasm. What shall Tianjin do if the whole country strives to quadruple its national economy? The municipal CCP committee assumes that Tianjin Municipality must achieve a more than quadruple increase. We have worked out accounts and maintain that this is possible. What must be rely on if we want to achieve a quadruple increase in the national economy? We must rely on innovations and advanced science and technology. We must have a correct technological line.

Your plant has a good foundation and has made great achievements. Since you have to fulfill a higher demand, you must not be content with past achievements. Efforts must be made to do a solid job in applying advanced technology, modifying equipment, improving technology, planting training and improving the cultural and technological levels of young staff members and workers to enable them to meet the requirements of industrial technological development.

Exportation is a key issue. We must create conditions for exportation to meet the needs of foreign markets.

We must pay great attention to conserve energy, show concern for the livelihood of staff and workers. So long as we adopt a series of effective measures, we can have a firm foundation for achieving a quadruple increase.

Comrade Chen Weida said in conclusion: I hope the hovering pigeons will fly over the five continents and the whole world.

JILIN'S QIANG XIAOCHU RELAYS CONGRESS' GUIDELINES

SK240604 Changchun Jilin Provincial Service in Mandarin 2200 GMT 22 Sep 82

[Excerpts] According to JILIN RIBAO, the provisional party committee of subordinate organs under the Jilin Provincial CPC Committee and the provincial people's government sponsored a meeting of party members and cadres at the auditorium of the provincial guest house on the morning of 22 September to relay the 12th national party congress guidelines.

Attending the meeting were party-member leaders from the provincial CPC committee, the provincial people's congress standing committee, the provincial people's government and the provincial CPPCC committee and responsible comrades from various departments, commissions, offices and bureaus, over 2,500 persons in all.

The supplementary congregation site of the meeting was set up at the provincial CPC committee's auditorium. Comrade Wang Daren, secretary of the provincial CPC committee, presided over the meeting. Comrade, Yu Ke, secretary of the provincial CPC committee, first relayed the 12th national party congress guidelines. Comrade Qiang Xiaochu, first secretary of the provincial CPC committee, relayed the spirit of the 1st Plenary Session of the 12th CPC Central Committee and gave his personal impressions.

In his speech, Comrade Qiang Xiaochu made a comparison between the 7th and 12th national party congresses. He stated: Although the two congresses were held in different eras and assumed different tasks, they have several points in common. For example, the seventh national party congress was held in the wake of liquidating the third leftist opportunist military line headed by Wang Ming, and the 12th national party congress was held on the basis of bringing order out of the 10-year chaos. Prior to the seventh national party congress, there was a turning point at the Zunyi meeting and there was also a turning point at the 3d Plenary Session of the 11th CPC Central Committee before the 12th national party congress. Laying an organizational foundation for the seventh party congress was the resolution on certain questions in the history of our party, which was concluded in conducting ideological education and workstyle rectification throughout the party, and laying a solid foundation for the 12th party congress was the resolution on certain questions in the history of our party since the PRC's founding, which was concluded through discussions on the criterion for testing truth and bringing order out of chaos and clarifying the demarcation line between right and wrong and between merit and demerit developed over the past 30 years. Meanwhile, following the seventh party congress, the party led the people across the country to successfully fight in the war of resistance against Japan and in the liberation war and to establish the PRC. The strategic goal set forth at the 12th national party congress is also of the grand character of seeking truth from facts. Only by unswervingly and indomitably bringing our most initiative and creative power into full play can we certainly create a new situation of socialist modernization and will our grand goal be completely possible to be carried out.

Comrade Qiang Xiaochu stressed: Following the 12th national party congress, our first important task is to earnestly organize all party members to study the 12th national party congress' documents and to whip up an upsurge in studying these documents. Leading organs and party member cadres should set examples in studying and implementing the 12th party congress' guidelines. Units which has delegates to the 12th national party congress should take the lead in the study campaign. Organs, enterprises and establishments and schools whose conditions permit should conduct rotational training work by holding short-term classes.

Rural areas should first disseminate the 12th party congress' guidelines, assemble the people for training this winter to enable them to further study these documents and draw up work plans for 1983 or for a long period to come by integrating studying activities with summing-up work.

In studying these documents, we first should strive to master the basic guideline of these documents and integrate document study with study of the basic theory of Marxism-Leninism-Mao Zedong Thought in an effort to heighten our understanding and unify our thinking. On this basis, we should pay attention to the actual situation and solve existing problems as far as possible so as to enable the study campaign to be the motive power in advancing various work. Efforts should be made to carry out study activities from the easy to the difficult and from both a near and a long-term outlook and apply the congress guidelines to both general affairs and specific cases. Under no circumstance should we carry out the study campaign in a phrase-mongering manner. We should truly obtain confidence from the congress' guidelines to promote current work, to guide or develop work and to draw up long-term work plans. We should work out ways to create a new situation of socialist modernization in our province, our areas and our units and ways to advance in direction set forth by the 12th national party congress.

JILIN'S QIANG XIAOCHU ATTENDS SPORTS MEET

SK240528 Changchun Jilin Provincial Service in Mandarin 1100 GMT 23 Sep 82

[Excerpts] The ninth Jilin provincial sports meet which is the province's largest in terms of events and scale opened this morning at Changchun (Nanying) Stadium

Attending the opening ceremony were leading comrades of the provincial CPC committee, people's congress, people's government and CPPCC committee and leading comrades of PLA units which are stationed in Changchun and subordinate to the provincial military district, including Qiang Xiaochu, Wang Daren, (Zhao Xiu), Yu Lin, Ye Ke. Zhang Shiying, Song Jiehan, Liu Jingzhi and Liu Yunzhao.

QINGHAI'S LIANG BUTING ATTENDS COMMENDATION RALLY

SK240525 Xining Qinghai Provincial Service in Mandarin 1100 GMT 23 Sep 82

[Text] The 6-day rally sponsored by the Qinghai Provincial Military District to commend army units and militia advanced in building socialist spiritual civilization concluded yesterday. Attending the closing ceremony were provincial party and government leaders, including Liang Buting, Zhao Haifeng, Song Lin and Ma Wanli; provincial military district leaders, including Wu Shengrong and Wang Wenying; and Zhang Rusan, deputy political commissar of the Lanzhou PLA units.

The rally commended 332 advanced units and individuals and named 9 advanced pacesetting units and 16 advanced pacesetting individuals. They were awarded citations for first, second and third class merit.

Seventeen units and 18 advanced individuals introduced their experiences in promoting spiritual civilization. Having earnestly studied the guidelines of the documents of the 12th CPC Congress, the participants further enhanced their communist beliefs and more clearly understood the strategic significance of building socialist spiritual civilization. They were determined to work diligently and in a down-to-earth manner at their work posts and to strive to fulfill the grand objective set at the 12th CPC Congress. In conformity with the actual situation in our province, they offered letters proposing the launching of a campaign to build socialist spiritual civilization among government offices and army units and launching a campaign to build socialist spiritual civilization among the militia.

XINJIANG CPC MEETING DELEGATES DISCUSS CONGRESS

HK230841 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 22 Sep 82

[Excerpts] On the basis of conscientiously studying the 12th party congress documents, representatives of all nationalities who are now attending the three-level cadre meeting of the regional CPC committee began group discussions today.

During the discussions, Fu Wen, member of the standing committee of the regional CPC committee, said: The 12th party congress is the most important meeting since the 7th congress and is a new milestone in our party's history. The 7th congress summed up both the positive and negative experiences gained in the development of China's democratic revolution in the last 20 years or more and formulated a correct program and line and correct principles and policies. Under the guidance of the 7th congress line, the whole party and the people of all nationalities, with 3 years and more of effort, overthrew the three mountains and fulfilled the tasks of the new democratic revolution. The 12th party congress has scientifically summed up both the positive and negative experiences gained in China's socialist revolution and construction in the last 30 years or more since liberation. In particular, through practices which have been tested since the third plenary session, it has formulated a complete program, line, principles and policies which are completely suited to China's practical situation. This program, line, principles and policies are absolutely correct. The new party Central Committee elected at the 12th congress is entirely reliable. Now we must arouse the enthusiasm of leading cadres at various levels to create a new situation in all fields of socialist modernization in accordance with the program and goal set forth by the 12th congress.

Speaking at the discussion, Janabil, deputy secretary of the regional CPC committee, said: The 12th party congress is a meeting of far-reaching significance and important influence in our party's history and is also a meeting of unity and victory with full democracy. I had participated in the 10th, 11th and 12th party congresses, but the 12th congress has educated and inspired me the most. The 10th congress, under the control of Jiang Qing and her like, trod on the party's democracy. The line laid down at the meeting was completely wrong and was a product of "leftist" mistakes. The 11th congress held in 1977 announced the end of the "Cultural Revolution" and reaffirmed the task of building a modern socialist state, thus playing a positive role in mobilizing the masses.

However, it still approved of the erroneous theories of the "Cultural Revolution" and also the principal leading comrade in the party Central Committee at the time continued to persist in the "two whatevers." Thus many people hesitated at the crossroads of truth and falsehood. It was the 3d Plenary Session of the 11th CPC Central Committee that thoroughly shattered the heavy chains imposed by protracted "leftist" mistakes, set right the guiding ideology of the party and reaffirmed the Marxist ideological, political and organizational lines, thus effecting a new change in the work of the whole party. The recent 12th congress has consolidated and developed the successes of the third plenary session. The line, principles and policies formulated by the 12th congress have improved and developed the correct line which was carried out since the third plenary session. They are more practical guidelines for the whole party and the people of all nationalities.

Taking his turn to speak at the discussions, Qi Chengde, deputy secretary of discipline inspection commission of the regional CPC committee, said: I became a party member after its sixth congress. Since then, I have witnessed six party congresses. From my experience, I believe that the 7th and 12th congresses were the two best in our party's history. Like the 7th congress, which laid a foundation for the victory of China's new democratic revolution, the 12th congress has also laid a foundation for the victory of China's socialist modernization.

#### BRIEFS

XINJIANG TEXTILE INDUSTRY DEVELOPS -- The total amount of state and Xinjiang regional investment in the capital construction of textile industry and their loans for technical transformation in Xinjiang Region from 1979 to 1981 was some 77 million yuan, which was 1400 percent of the total amount from 1976 to 1978. The region mainly spent these funds on the expansion and reconstruction of the key enterprises, Xinjiang youth general woolen textile mill, Ili woolen textile mill and Shihezi 1 August cotton textile mill. [Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 17 Sep 82 HK]

XINJIANG PEASANTS' INCOME INCREASES -- According to the Xinjiang regional statistical bureau's survey of 160 households of commune members in 16 counties in the region, in the first half of this year, each household's average cash income was some 471 yuan and the per capita income was some 82 yuan, which was some 26 yuan more than in the first half of last year. The average cash per capita expenses of the 160 households of commune members in the first half of this year was 39.42 percent more than in the first half of last year. The average per capita expenses on the means of production in the first half of this year was some 100 percent more than in the first half of last year. By the end of June, the 160 households of commune members had had some 21,000 yuan in cash on hand, their savings were some 13,000 yuan and the per capita cash in hand and savings were 23.45 and some 300 percent more than in the corresponding period of last year, respectively. [Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 18 Sep 82 HK]

COVERAGE OF PRC, THATCHER TALKS ON HONG KONG

## Deng to 'Take Over' Talks

HK240208 Hong Kong HONG KONG STANDARD in English 24 Sep 82 pp 1, 12

[By Terry Cheng, in Beijing: "Deng To Take Over Our Case"]

[Excerpts] Chinese top leader Deng Xiaoping will take over the talks on the Hong Kong issue this morning with visiting British Prime Minister Margaret Thatcher, after Beijing openly stated for the first time that it would regain Hong Kong's sovereignty.

The change of statesman at the negotiating table, though described by both sides as "nothing special" and "planned for a long time," was viewed by diplomatic observers in Beijing as suggesting that yesterday's talks were "not so smooth".

The switch to Mr Deng as head of the Chinese party today was disclosed soon after Premier Zhao Ziyang and Mrs Thatcher completed their first round of talks on the Hong Kong issue.

Both Chinese and British sides said the talks on Hong Kong were "conducted in a friendly atmosphere" and described them as "useful."

However, diplomatic observers in Beijing said the carry-over of discussions of the Hong Kong issue into the meeting of Mr Deng and Mrs Thatcher could be an indication that yesterday's talks were "not so smooth."

Both Chinese and British sides stressed that today's meeting was planned long ago and it was "nothing special".

A Chinese source said that Mr Deng handling the issue meant that China attached importance to Hong Kong.

A British source, refusing to say if the carry-over of discussions into today's meeting was a "good" or "bad" sign, commented that "it is important that we are talking and good progress has been made".

During yesterday's talks, the two sides spent two hours, which ended before noon, on the Hong Kong issue. In the first hour, Mrs Thatcher and Mr Zhao set out their respective governments position on the issue. They spent the second hour in discussions on it.

After the discussions, the two leaders spoke on further cooperation in the economic, technological and trading fields.

Both sides had the same team of officials who participated in Wednesday's talks on international issues, taking part in yesterday's talks.

It is expected that the same teams will take part in this morning's talks. However, the Chinese side will be headed by Mr Deng, who has just returned from accompanying North Korean President Kim Il-song in his Sichuan tour.

It was understood that in yesterday's talks, Hong Kong's sovereignty and administration problems had been raised. And a guarantee of Hong Kong's prosperity and stability had been made.

Sir Edward Youde, in his capacity as the governor of Hong Kong, had presented the views of Hong Kong people and Mrs Thatcher had spoken on the importance of Hong Kong.

It was also understood that both China and Britain had recognised the international implications that the Hong Kong issue might have.

On bilateral cooperation, the two sides had touched on the proposed Guangdong nuclear plant, British defence sales to China and British participation in China's off-shore oil exploration.

I. 24 Sep 82

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HONG KONG MEDIA ON CHINA

### Liao Chengzhi Absent From Talks

HK240224 Hong Kong SOUTH CHINA MORNING POST in English 24 Sep 82 pp 1, 34

[Report by Victor Su, in Beijing]

[Excerpts] A Chinese official who was tipped to play a key role in talks on Hong Kong's future during Mrs Thatcher's visit is absent from the conference table because of a broken leg.

I learned yesterday that the director of the State Council's Overseas Chinese Affairs Office, Mr Liao Chengzhi is "confined."

He is understood to have broken his leg in a fall at his home soon before the vital talks began.

Mr Liao's inability to attend the talks was described by Chinese officials as "most regrettable."

His office encompasses matters relating to Hong Kong and Macao and he is regarded as a specialist and a spokesman on the subject of Hong Kong and China, as well as being a spokesman on the Taiwan reunification issue.

Mr Liao's absence from the opening round of talks on Wednesday was conspicuous.

Apart from being a vice-chairman of the National People's Congress, he is a familiar face to many Hong Kong developers and businessmen who have visited Beijing in recent years to negotiate major projects.

Earlier this month, Mr Liao was elected to the Politburo when the 12th Central Committee of the Chinese Communist Party held its first plenary session in Beijing.

As a result of his broken leg, Mr Liao has been forced to cancel other engagements including an official trip to Japan, after Mrs Thatcher's visit, as leader of a delegation.

A replacement leader for the delegation has been found.

### Paper Assesses Talks

HK240304 Hong Kong SOUTH CHINA MORNING POST in English 24 Sep 82 p 2

[Editorial: "Beijing Talks Off to a Fair Start"]

[Text] The talks on Hong Kong which got under way in Beijing yesterday between Mrs Margaret Thatcher and the Chinese prime minister, Mr Zhao Ziyang, have produced nothing so far to cause concern, local headlines and broadcasts notwithstanding.

Mr Zhao's statement before meeting Mrs Thatcher broke no new ground and indeed his reference to sovereignty carried no time limit; rather he went into his meeting with an open mind and was concerned that when China did regain sovereignty special arrangements would be made to ensure that Hong Kong continued to be prosperous.

The share market's 25-point fall yesterday reflected the nervousness of some speculators but the August bloodbath was not repeated, showing that Hong Kong people are learning to make more cautious and critical assessments. This is as it should be for undoubtedly there are not going to be any clearcut solutions immediately and we are going to have to learn to live with uncertainty for some time. Hong Kong's social, economic and community life has to carry on normally.

As we have said before there are far more immediate concerns in the territory's economic performance this year. Businessmen are anxious to ensure that they will be ready to take advantage of any improvement in trade when the slow-moving dynamo of the American economy begins to pick up revs, as it surely will. While interest rates have dropped and inflation is falling, the business community is concerned about achieving higher growth rates.

And while we cannot be unhappy with a GDP growth rate this year of four per cent, it is in everyone's interest to get that figure back to seven and eight percent as soon as possible. That is going to be difficult in a year when international trade is slack, shipping is on its knees, real estate is sluggish, corporate profits are in many cases marking time and the share market is dithering.

These are problems which Hong Kong must be concerned about because our livelihood depends on growth. But the economy is not everything. We are today engaged in a new style of district administration and 35 percent of the registered urban voters yesterday went to the polls to vote. This was a satisfying first effort and shows local people are keen to play a greater part in the running of their own district.

In general, Hong Kong has no problem that is beyond solution and a city that has shown itself so innovative and so ready to accept change will be as ready to adapt to whatever the future holds. It is the British Government's desire to ensure that the well-being of the people -- and not just that of investors -- will be preserved. For without a contented, active, fully participating population there can be no investment or economic climate worth preserving.

#### FURTHER MEDIA DISCUSSION OF 1997 ISSUE

##### PAI HSING Journal

HK211235 Hong Kong PAI HSING in Chinese No. 32, 16 Sep 82 pp 3-5

[Article by Huang Chin-ming [7806 6930 2494]: "Hong Kong at its Historical Turning Point"]

[Text] On the afternoon of 21 July 1982, at the front gate of the Hong Kong office of XINHUA NEWS AGENCY, Shih Hui [Hong Kong film star], emerged from an attractive Mercedes Benz, with cameras flashing.

What was about to take place was not a golden disc [local music award] ceremony, but a much more important event. The participants arrived one after another. Among them were Fei Yi-min, head of the Hong Kong TA KUNG PAO office; Li Tsu-sung, head of the WEN WEI PO office; Huang Kuan-cheng, chairman of the China Chamber of Commerce in Hong Kong, and Tang Ping-ta, its vice chairman. They were all either NPC delegates, or CPPCC delegates, from Hong Kong.

However, they did not look so important in comparison with a special guest.

#### Arrival of a VIP

From 1600-1800, the gate of XINHUA was locked. Except for a few correspondents from Hong Kong's leftist papers, no one could interview this distinguished guest.

This was a very important person in China's central authorities, who had come south on an important and secret mission. She was not only going to call a meeting here to discuss China's constitution, but was also going to convey the instructions of the central authorities to some major leftists in Hong Kong on the future of this city.

This important person was none other than Li Jianzhen, a 76-year-old veteran CPC member who had taken part in the Long March and is now a secretary in the Guangdong Provincial CPC Committee and chairman of the Guangdong Provincial People's Congress Standing Committee. She was recently elected a member to the Central Advisory Commission, and is very familiar with the affairs of Hong Kong and Macao.

Several people who are close to XINHUA revealed later that the decision of the CPC Central Committee had been clearly expounded: to regain China's sovereignty over Hong Kong, the main symbols of which are to replace the British governor with a Chinese one and flying the Chinese flag. [paragraph published in boldface]

Another well-informed source said that the discussion between China and Britain would focus on who will have the final say on deciding the governor. China's stand is clear and firm: No matter whether the governor, who will be a highly prestigious Chinese, is elected by citizens or appointed, the right of final appointment and removal must be held by the Chinese Government.

This can be regarded as a bottom line of the Chinese Government during the negotiations. Besides this basic program, this CPC Central Committee member also expounded the basic attitude and stand of the CPC Central Committee on handling the Hong Kong problem so that those people concerned can implement them well in Hong Kong.

Well-informed sources also revealed that there is still room for discussion on details about the political and economic affairs above this bottom line.

Over the past 2 or 3 months, the XINHUA staff have, through various formal or informal channels, tried to reveal this bottom line -- the national flag and governor -- to both Chinese and foreigners in academic and cultural circles. They have made it a principle for the coming negotiations.

#### No Concession to Britain Under the Bottom Line

The well-informed source pointed out that China would possibly force Britain to recognize that Hong Kong is a territory temporarily occupied by the British, so as to pave the road to negate the unequal treaty in a perfectly justifiable way and regain China's sovereignty.

More sources have confirmed this bottom line and almost unanimously point out that the policy of regaining China's political sovereignty over Hong Kong is unchangeable. However, the present economic system will be maintained, and the British will even get more economic benefits in the future. For example, the Hong Kong dollar notes will continue to be issued by the two British banks in this city.

Other sources even pointed out that China is also considering making concessions on the question of the national flag and allowing the new government to hang the present "Hong Kong flag" in the future, without the British emblem. Most of the present administrative systems will be maintained and senior expatriate civil servants can remain at their posts and receive the same pay.

No matter, Beijing's stand on appointing the governor is resolute and firm. Thus, China's attitude can be summed up as "regaining sovereignty, replacing the governor and maintaining prosperity."

A leftist source said that China is firm in this minimum program. If the British authorities do not agree with it, Hong Kong's future may be solved through placing it under the government of its native people.

It is natural to be prepared for the worst before political negotiations. According to well-informed sources, two offices have been set up in Beijing to study problems concerning Hong Kong's future. One is within the CPC Central Committee and the other is within the State Council. The latter, in particular, has made more concerted suggestions for the solution of the Hong Kong problem. It has also discussed various possible difficulties which may occur after China regains sovereignty over Hong Kong.

According to Beijing sources, the Chinese authorities in Beijing believe that about 10 percent of those people considered useful would leave Hong Kong as a result of its' gaining its sovereign right, and capital would also flow out, the rate of which was, however, not indicated.

Nevertheless, Beijing has always been optimistic on this question. A senior official in the Foreign Trade Ministry said that there is no need to worry about the problem. Contradictions are inevitable during the transition period. The Chinese authorities would not stop any person or capital from leaving Hong Kong. However, he believed that if Hong Kong continues to be a profitable place, it still will attract people and capital. Those who leave Hong Kong will surely return.

This foreign trade official, who keeps in touch with Hong Kong businessmen, said that of the many reasons for Hong Kong's prosperity, the diligence of the native people in Hong Kong's cannot be neglected. For this reason, even if 500,000 people were to leave Hong Kong, the majority who remain in this city would continue to play their due roles. The party, too, will also prove to be worthy of their expectations.

#### Concrete Plans for Administering Hong Kong's Affairs

This government official then listed several concrete plans for the future of Hong Kong, which showed that the State Council had paid serious attention to the Hong Kong issue. These plans include: [following five paragraphs published in boldface]

1. The political system will be changed. The British governor will be replaced by a Chinese governor. The legislative, administrative and other bureaus will be reorganized and replaced by the Hong Kong people's congress, which will be granted a higher degree of democracy.
2. With regard to government administrative organizations, the heads of various departments will be removed from office and all other administrative personnel will remain unchanged. Beijing will also select some capable cadres to take up relevant posts.
3. Referring to the legal system, the death sentence will possibly be restored against serious criminals. Other laws will remain unchanged. Political offenders will not be investigated and punished so that Hong Kong's stable political situation can be maintained.
4. Economically, Hong Kong will continue to be a free port and the Hong Kong dollar will continue to be an independent currency, unrelated to the renminbi.
5. In the cultural field, the principle of free airing of views will continue to be carried out and freedom of assembly, association and publication will be guaranteed. Of course, registration must be made when necessary. If Hong Kong residents want to go abroad to study, the government will make it easy and sign official passports for them. However, he said that Hong Kong's horse racing is an unhealthy colonial activity and will be banned.

He stressed that the CPC has confidence in successfully administering Hong Kong and hoped that the citizens of Hong Kong will also have faith in the party. He admitted that the CPC had made many mistakes and many people had thus lost their faith in it. At present, there are serious crises in people's faith, confidence and conviction. However, since the party is making efforts to improve itself, there is still hope under its leadership.

This firm belief was established on the reunification of China. This official said that on the question of reunification, Beijing had usually considered "solving the Taiwan problem before the Hong Kong one." But now, the Hong Kong and Macao issues have been given priority. This means that Hong Kong and Macao will play an exemplary role for Taiwan to show that prosperity can be maintained under the rule of the Chinese Government. It will help the Taiwan Government free its mind of apprehensions over the reunification and renew its cordial relations with the CPC.

### Five Years Preparation and Five Years of Implementation

In order to reach this aim, he continued, for 5 years after the 12th Congress the CPC Central Committee will make detailed plans for regaining sovereignty over Hong Kong and, in the following 5 years, carry out these plans. At any rate, before 1997, no matter what form of government is to be established, the CPC is determined to bring Hong Kong under the domination of the 5-star flag.

It is said that this program had been widely accepted in the CPC Central Committee. Signs show that political factors will be given first priority in considering Hong Kong's future. According to the analysis of a leftist in Hong Kong, when discussing Hong Kong's future, most people in this city first consider economic factors. From the editorials of local newspapers to discussions between businessmen and citizens, foreign exchanges which Hong Kong have provided to China have always been mentioned -- they account for about 30-40 percent of China's foreign exchange income. This may be absolutely true. However, in the eyes of the Chinese leaders, "political factors" are more important than economic factors. This has often been neglected by the people of Hong Kong.

He said that if China were to decide not to regain its sovereignty over Hong Kong, what could its leaders say after 1997 to the thousands upon thousands of minority nationality peoples in the autonomous regions? When foreign guests who visit China ask them about Hong Kong's position, what could they say to the world?

Informed sources also revealed that when Deng Xiaoping talked about Hong Kong's sovereignty while meeting some well-known Hong Kong personages in Beijing, he looked excited, saying that if this problem is not solved in this way, it will be irresponsible to history and to the millions upon millions of Chinese people.

### China Resources Company Evaluates Possible Losses

According to someone who was received by a State Council official in charge of Hong Kong and Macao affairs, the proposition of regaining sovereignty over Hong Kong was personally made by Deng Xiaoping. Beijing has no intention of signing any contracts on either a lease, trust or joint administration. This was his impression during the interview.

A person who has information sources within the State Council also believes that the above-mentioned three forms of administration will in no way be adopted. The reason is very simple: No communist leaders are willing to become a second Li Hongzhang in history and sign another agreement to cede China's territory while advocating support of anti-imperialist struggles throughout the world. Moreover, today's China is not a defeated country which has to yield to the British.

While taking a magnanimous stance on political affairs so that both sides can negotiate between China's proposed maximum and minimum programs, the Beijing authorities do not really neglect possible consequences. According to an investigation, the data group, which is subordinate to the China resources company, is studying how many of the textile export quotas can be possibly maintained after China regains sovereignty over Hong Kong and all the British have withdrawn. Such questions, as whether the Hong Kong dollar will continue to be an independent currency and Hong Kong will continue to be a free port have also been placed on the agenda.

They do not have positive answers. But no one has denied that such phenomena as the loss of talented people and funds may occur within a short period after sovereignty over Hong Kong is regained. However, they are not pessimistic.

### They Are Confident in Maintaining Prosperity

This is a view which is based on "a long-term consideration." The following is the most common example illustrating this view.

The final factor determining whether technical personnel and capital will leave Hong Kong depends on whether equivalent profits can be made elsewhere.

If it is believed that Hong Kong really possesses some objective conditions leading to prosperity, such as a superior geographical situation, the diligence of the Hong Kong Chinese, and so on, this objective fact will surely attract capital and technical personnel to return some day.

In citing an example, a person who agrees with the above view said: "Let us take a doctor for example. If he emigrates to Australia, he will probably have no more than 10 patients a month. However, in Hong Kong, any Western doctor may easily have more than 10 patients a day. Moreover, what the country claims is nothing more than sovereignty, and the Hong Kong people are allowed to continue to speculate in gold, stocks, and so on as usual."

However, what remedy can the Beijing authorities ever use to ensure that the 5 million Hong Kong people will have sufficient employment opportunities and that the living standard of ordinary residents can be maintained during the interval between the withdrawal and return of capital and technical personnel? Will the present living standard vanish forever? How can those favorable objective conditions which guarantee the living standard in Hong Kong be maintained in the changing of the government system?

The answer to these questions concerning the people's livelihood is uncertain for the time being. Those authoritative sources who are familiar with the leftwing's views only reveal: "These specific questions still need further deliberation. It is believed that concrete solutions to these problems will gradually come to light early next year or the middle of next year."

#### Countermeasures of the British Hong Kong Government

In face of a tough negotiator, the British at the other side of the conference table are now carefully working out countermeasures. At the same time, the higher strata of the Hong Kong Government, including the offices of the Executive Council and the Legislative Council, have been working intensively over the last few months, and are trying to win the support of the British Government so as to be well-prepared before the negotiations.

An authoritative source close to the offices of the Executive and the Legislative Councils stated: "Before the five members of the Legislative Council visited London in the company of the Hong Kong governor on a consultation trip, the office of the Legislative Council completed a report in which various proposed solutions to the 1997 issue collected over a long period of time were summed up. This report was to be submitted to the London authorities."

Although the opinions of the unofficial members of the two councils are not unanimous, there is a dominant view among them. This view holds that although, based on the British administrative concept, only the New Territories to the north of Boundary Street and the so-called new Kowloon districts have to face the problems concerning the future (since the area to the south of Boundary Street and Hong Kong Island were perpetually ceded to the Great British Empire, "the members of the two councils realize that the territories to the north of Boundary Street, together with Hong Kong Island must be regarded as an inseparable entity in the consideration of the lease of the former." This authoritative source said: "And, furthermore, the renewal of the lease, being a form to solve the 1997 issue, is among those various draft solutions which the members of the two councils are proposing to the British prime minister."

The authoritative source close to the offices of the two councils of Hong Kong also said that in the last 2 or 3 years, when in contact with important British statesmen, such as the former British Deputy Foreign Minister Atkins, who was visiting Hong Kong on his return from Beijing last year, and David Owen, one of the founders of Britain's Social Liberal Democratic Party, who recently visited Hong Kong, the members of the two councils always put forth their three demands to the British and asked them to adhere to these principles. These demands are:

1. The status of Hong Kong as a pound sterling area should be maintained.
2. The currently effective British law should continue to be in effect.
3. The British administration should be maintained.

#### A Painstakingly Built Spider Web

The British administration which we mean here of course includes the power of Britain to delegate a Hong Kong governor. And this, inevitably, goes against the basic principle put forth by China. Fortunately, the activities which are under way at present are only secret diplomacy, which means there remains some margin for bargaining.

However, quite a few members of the Executive and the Legislative Councils just cannot accept the principle of "regaining sovereignty and maintaining prosperity." The mentality of some members of the two councils may probably derive from their sense of glory in the power and position which the British have bestowed on them. But, an authoritative source who is familiar with the Legislative Council presented a "spider theory" to interpret the implicit concern embodied in the changing of the political system.

He said: "One of the main reasons why Hong Kong can maintain prosperity is that it possesses an administrative system in which any international investor can trust. The British are playing very important roles in this aspect. Hong Kong, like a spider in its web, relies on the international relations and contacts which it has built up over several decades. If these relations and contacts are cut off because of the changing of the status quo, Hong Kong will decline at once, just like a spider which falls when its web is suddenly destroyed."

He held that Hong Kong survives on international trade. And the Hong Kong Government, under the leadership of the British has won the confidence of the international system through deeds over the last several decades. It is this confidence that forms the spider web which supports the prosperity of today's Hong Kong. And the above mentioned three principles are the necessary conditions to maintain the spider web. Once a new government is to be established, how can it assure the confidence of foreigners and encourage them to trade with Hong Kong? He thought that it takes at least 5 to 10 years to completely set up a mature government.

According to our impression obtained in contacts with some members of the two councils, they have another implicit worry. They are afraid that even if China solely requests the replacement of the Hong Kong governor, a whole group of high-ranking expatriate officials under him are likely to resign one after another once the governor leaves his post, most of whom may return to Britain. Thus, all at once there will be a large number of vacancies which can hardly be filled with suitable candidates within a short time.

A high-ranking source close to the Hong Kong Government held: "The most affected will be the disciplinary forces; for example, those expatriate commanding officers who are now working for the independent anti-corruption commission. If they resign one after another, who can ensure that the Hong Kong police force will not slip back into its old ways and who can then guarantee Hong Kong's stability? Without a stable political situation, who will continue to invest in Hong Kong and how can the prosperity of Hong Kong be maintained?"

#### The Only Trick Hong Kong Can Play Is the Doctrine of Sweet Peaches

However, such a mentality demanding that the British remain in Hong Kong can easily be mistaken as a view which insists that "Chinese are incapable and the foreign moon is always rounder than the Chinese one." Perhaps this is the reason why the Chinese leaders can hardly accept the Hong Kong people's demand that the British administration remain in Hong Kong.

When hearing in a negotiation that the continuation of British rule is necessary in order to maintain prosperity in Hong Kong, one of the present Chinese leaders wrathfully replied: "What foreigners can manage, we Chinese can manage too!"

Understanding this dire strait, two members of the Executive and the Legislative Councils who are exercising control over Hong Kong have mainly adopted two methods in their efforts to strive for the maintenance of the status quo. The first method is to try to express to London, through every channel, the Hong Kong residents' mentality demanding for the maintenance of the status quo. But, after all, this method seems relatively passive and less promising. Therefore, in fact, in recent years, the members of the two councils have been actively playing a "trump card in the peace theory," trying their best to offer one after another sweet and big "peach" to both the Chinese and the British Governments so as to convince them that it is profitable to carry on the "game" and maintain the status quo.

The most obvious example of these "peaches" which have been recently offered to the British is the lump sum of HK\$20 million which the Hong Kong Government donated to the "South Atlantic fund" with the agreement of the majority of the members of the two councils. (The South Atlantic funds was set up for the welfare of the family members of those British soldiers who died in the Falkland Island war) A member of the Legislative Council frankly admitted on a private occasion: "This sum of HK\$20 million may not have been donated completely in exchange for British sympathy. But, in the final analysis, the Hong Kong people have to depend on the British in negotiating with Beijing over the problem of the 1997 lease."

#### The people of Hong Kong Have Three Masters

Quite a few "peaches" have recently been offered to China too. With the agreement of the majority of the members of the two councils, the Hong Kong Government purchased back a vast plot of land in Tianshuiwei and kept it as land reserve. (In fact, except a small portion, this plot of land may possibly lie in waste for the next 3-5 years.) Last month, a golden plot in the Central District was sold to the Bank of China at an extremely low friendship price without any other tenderer. Was this not another "peach"?

Vividly depicting the Hong Kong people's present situation, a person who is close to the higher strata of the Hong Kong Government said: "We Hong Kong people are servants of three masters, namely, in order of importance, the Chinese Government, the British Government, and capitalists." In his opinion, whether Hong Kong can maintain the status quo depends on whether the people of Hong Kong can continuously produce "peaches" which are to the liking of their masters, and feed them with these "peaches" one by one.

Viewing the problem from this angle, he held that one of the important factors which would affect the continuation of Hong Kong's status quo in the coming Beijing negotiations was whether the emerging "peach" -- the nuclear powerplant in Guangdong Province -- would win the support of Hong Kong financial groups, be financially accommodated by the people of Hong Kong, be fitted with British equipment, be built on the territory of China, and be oriented to the needs of the Chinese region.

The story of Kong Rong, who yielded the bigger pear to his elder brother, eventually repeats in the history of Hong Kong. Everyone must already have a pretty clear idea about the size of the last pear.

#### HONG KONG STANDARD

HK240308 Hong Kong HONG KONG STANDARD in English 24 Sep 82 p 6

[Editorial: "Some Questions Are Better Left Alone"]

[Text] At this uncertain juncture it is wiser not to try to answer any of the crowding, obvious questions about the political future here.

Every hiccup in Beijing can be expected to cause a small hiccup in the stock market. Stockbrokers and investment advisers are paid to be nervous.

But there is no reason to suppose that anything that is going to happen in the next few days ought to unduly disturb the ordinary people of Hong Kong.

Boether observed that "when eras are on the decline, all tendencies are subjective; but on the other hand when matters are ripening for a new epoch, all tendencies are objective."

In other words -- to tidy up that gnomic generalisation -- when a society has doubts about its future, it tends to produce spokesmen whose main appeal is to the emotions, who argue from intuitions, and whose claim to be truth-bearers rests solely on intense personal feeling.

By contrast, societies sure of the future tend to throw up spokesmen whose appeal is to the court of reason; whose private vision coincides with a public vision of man as a rational creature in control of his destiny.

We are not for a moment suggesting that Hong Kong is a society on the decline, nearing the end of an epoch. There are, however, many people here who have doubts about the future. And many of them have intense, often unrealistic, personal feelings.

The key question asked by many of these people goes something like this: How much scope will be given in future to the incomparable energy and skills of Hong Kong people?

In other words: Will we still be able to make money here?

In China things are often done by mirrors. Editorials in oracular Chinese organs, for example, may seemingly attack rightists when their real targets are the leftists -- and vice versa.

But there was nothing obscure or circuitous about Premier Zhao Zhiyang's answers to reporters' questions before he and Mrs Thatcher began two hours of talks.

"Of course China must recover sovereignty, but the sovereignty issues does not affect Hong Kong's prosperity," Mr Zhao said, adding: "If China recovers sovereignty, it will certainly take a number of measures to guarantee Hong Kong's prosperity and stability."

We have no way of knowing, of course, whether Mr Zhao's idea of prosperity would measure up to the standards of the British, the Americans -- or the Hong Kong Chinese.

Every so often historical developments are so vast, so amorphous and so gradual that they pass almost unperceived until men wake up one morning to find they are living in a quite different world.

We don't believe, however, that any Hong Kong resident will wake up one morning in the future to discover that he has been thrust into a Mao jacket and shunted off to a . . .

For some Shanghai capitalists, after all, the grace period lasted a full decade after 1949.

Doubts about Hong Kong's future are not confined to local people.

There may be in our midst certain foreign friends whose outlook on life is a hand-me-down from ancestors, who believed that the international order over which Britain presided in the 19th century was necessary to civilisation and that, therefore, with some modifications it must be perpetuated.

I. 24 Sep 82

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HONG KONG MEDIA ON CHINA

China has, however, long made it clear that the question of Hong Kong should be filed under the category of unequal treaties left over by history.

And we believe that any sensible man's assessment of the situation must take into account the fact that the world has indeed changed.

We also believe that there is nothing to celebrate -- but no reason to despair either.

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